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Supplement 2 to WAS-24

# Agricultural Situation: Asia

## Review of 1980 and Outlook for 1981

U.S. DEPT. OF AGRICULTURE  
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## ABSTRACT

Agricultural production in Asia and Oceania was unchanged in 1980, following a decline in 1979. Production was up 3 percent in South Asia, down 5 percent in East Asia, and down 6 percent in Oceania. Per capita agricultural and food production was up in all South Asian countries except Afghanistan, but most countries in East Asia and Oceania suffered declines. The 12-percent rise in Asian rice production offset lower production of sugarcane, wheat, and pulses. U.S. agricultural exports to the region increased 17 percent to \$11.51 billion. U.S. agricultural imports from Asia and Oceania, at \$4.28 billion, were virtually unchanged.

**KEYWORDS:** Asia, Oceania, agricultural production, agricultural trade, economic situation.

This report was generated as part of the International Economics Division's ongoing program of agricultural situation and outlook analysis and reporting. The program's regularly scheduled publications include: the *World Agricultural Situation and Outlook* published three times annually; regional situation and outlook reports on Asia, Africa and the Middle East, the People's Republic of China, Eastern Europe, the Soviet Union, Western Europe, and the Western Hemisphere published annually; indices of world and regional food and agricultural production published annually; the *Foreign Agricultural Trade of the United States* published bi-monthly; the *Food Aid Needs and Availabilities Report* published quarterly; and the *Outlook for U.S. Agricultural Exports* published quarterly. All are available on request from the Economics and Statistics Service, U.S. Department of Agriculture, Room 0054, South Building, 14th and Independence Avenue, S.W., Washington, D.C. 20250.

PATRICK M. O'BRIEN  
Assistant Director for Situation and Outlook



## FOREWORD

This annual review (supplement 2) summarizes major agricultural developments in each country and subregion of Asia and Oceania. It is one of a series of regional reports supplementing the 1980 World Agricultural Situation, WAS-24. In this report, *Asia* refers to those countries from Afghanistan eastward, with the exception of the People's Republic of China. *Oceania* refers to Australia, New Zealand, and Papua New Guinea, plus other islands of the Pacific that are included for regional trade data.

Production is usually reported by calendar year. This includes crops harvested during the spring, summer, and autumn of 1980 (for example), plus some crops, such as rice, harvested mainly in 1980 but also continuing into early 1981. Unless otherwise stated, references to years are calendar years. Unless otherwise specified, split years (for example, 1979/80) mean July-June.

*GNP* refers to gross national product and *GDP* refers to gross domestic product. *HYV* refers to high-yielding varieties of a crop. All tons are metric. Dollars are U.S. dollars. On a table, a dash indicates zero or negligible quantities; *NA* indicates that data are not available or not applicable. Rice data are for milled rice unless otherwise specified.

Because of revisions, numbers in this report may differ from those previously reported. This report is based primarily on information available March 31, 1981.

E. Wayne Denney directed and coordinated preparation of this report. Those participating in the preparation included Lois A. Caplan, William T. Coyle, John H. Dyck, J. Albert Evans, Amjad H. Gill, Allen O. Johnson, Maurice R. Landes, Effie S. McConkey, Richard F. Nehring, Carmen O. Nohre, and Leslie E. Ross.

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E. WAYNE DENNEY  
Leader, Situation and Outlook  
Asia Branch

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## Summary

Major 1980 developments in Asian agriculture include an improved food grain harvest in most South Asian countries, reduced rice harvest in the high-income East Asian countries, and a drought-reduced harvest in Oceania. The index of total agricultural production for the region was unchanged from the poor 1979 performance, but production changes varied widely among countries. Of the 15 countries for which indices were calculated, 9 showed increases, 5 showed decreases, and 1 was unchanged. Bangladesh, Burma, and Thailand had agricultural production rises of 7 percent or more, while Afghanistan, Japan, South Korea, and Australia had production declines of at least 7 percent.

### East Asia <sup>1</sup>

The East Asian region experienced relatively strong economic growth in 1980, with most countries showing a

real GNP advance of 5-10 percent. Only South Korea suffered a decline. Japan, with about 82 percent of the region's total GNP, had a growth rate of less than 5 percent. Weakening personal consumption expenditures was the major constraining factor for Japan. Some of the better performances were recorded by countries with relatively small agricultural contribution to GNP. The trade-dominated economies of Hong Kong and Singapore each grew slightly more than 10 percent, while Indonesian petroleum revenues helped raise its GNP by nearly 8 percent and add another \$3 billion to its foreign exchange reserves. Malaysia's real GNP also increased by 8 percent as petroleum became the country's top export

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<sup>1</sup> Refers to free market economies: Burma, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand. Centrally planned economies are discussed in a subsequent summary. Such a division permits discussion of countries where data are comparable.



earner. High energy costs and a slowdown in overseas markets prevented Taiwan's GNP rise from going above 7 percent. The 5-percent growth in the Philippines was the lowest in a decade, as rapid inflation, a high import bill, and mediocre performance by the agricultural sector slowed growth. Burma and Thailand were the only East Asian economies where agricultural growth exceeded GNP growth. Agriculture is more important to Burma's economy than in any other East Asian economy and the country's strong agricultural increase accounted for most of its 8-percent growth. Thailand's economic performance was strained by high oil import costs. Real GNP in South Korea plummeted nearly 6 percent because of high inflation, political turmoil, and crop failure.

Agricultural production in East Asia suffered its first decline in over a decade during 1980, with aggregate output falling 5 percent. Of the eight countries for which indices of agricultural production were calculated, five increased and three declined. But the declines—South Korea (down 18 percent), Japan (down 7 percent), and Taiwan (down 3 percent)—occurred in countries whose combined agricultural output accounts for about two-thirds of the East Asian total. The reduced rice harvests in Korea (down 36 percent), Japan (down 19 percent), and Taiwan (down 5 percent) accounted for most of the total decline in the region.

Unusually cold and wet weather during the rice growing season in Korea and Japan encouraged sterility and blight and provided poor ripening conditions. Cool weather, coupled with drought, reduced Taiwan's rice harvest. In contrast, three countries in East Asia had nearly optimal rice-growing conditions which resulted in record rice harvests—Burma (up 26 percent), Thailand (up 15 percent), and Indonesia (up 11 percent). Increases in total agricultural production were also largest for these three countries.

The combined effect of substantial rice production changes in individual countries was a 3-percent increase in East Asian rice output to 61.7 million tons. Although the region's net rice imports declined about 300,000 tons to 1.1 million tons, rice imports by South Korea alone increased by 500,000 tons during 1980.

About 95 percent of East Asia's wheat requirements are met by imports. All countries are net importers of wheat, with total imports reaching 11.6 million tons during the year—up 265,000 tons, with most of the increase again attributed to South Korea.

Coarse grain output was down slightly, to 11.9 million tons, as the sharp drop in Korean production more than offset the improved harvest in Indonesia. Coarse grain imports declined 2 percent to a 26.1 million tons, with 18.7 million going to Japan. Most importing countries in the region bought larger quantities of coarse grains during 1980 than during 1979, but Korea reduced its purchases by 500,000 tons. The region's only exporter, Thailand, exported virtually the same amount as in 1979.

U.S. agricultural exports to East Asia reached \$10.56 billion during 1980, a jump of 17 percent from 1979. Slightly more than a fourth of total U.S. agricultural exports go to East Asia. Gains in value of coarse grains and soybeans to Japan caused total Japanese purchases of U.S. farm products to rise 16 percent and reach \$6.11

billion. Shipments to South Korea grew even faster, reaching \$1.8 billion, while Taiwan's purchases increased marginally to \$1.1 billion. During 1981, U.S. agricultural exports to the region should expand by another \$1 billion, as the expected slowdown in cotton sales is more than offset by continuing increases in soybeans and wheat, and a rebound in coarse grain sales.

U.S. agricultural imports from East Asia increased slightly to \$2.26 billion during 1980, giving the United States an \$8.29 billion agricultural trade surplus with the region.

## Outlook

Most countries are forecasting economic growth of 6-8 percent for 1981. High oil import bills and debt service obligations will limit growth in many countries, but Indonesia and Malaysia should prosper because of increased petroleum sales. South Korea should show some real GNP growth, but it is unlikely to be much above the 1979 level.

Rice production changes during 1980 will significantly alter rice trade within the region during 1981. South Korea will purchase about 2.4 million tons, making it by far the world's leading rice market. The United States and Japan will be major suppliers. The huge Korean import level will allow some rebuilding of depleted stocks there, barring another rice crop failure. Japan's surplus rice stocks will be reduced to 2.0 million tons, because of larger sales to Korea and the initiation of a rice feeding program. Thai rice exports could exceed 2.8 million tons following the bumper 1980 harvest, while Indonesia's rice import requirement will be reduced for the same reason. Korea's increased imports will likely offset exports by other countries in the region, so that the region's net rice imports will increase by 300,000 to 500,000 tons during 1981.

Generally favorable weather during early 1981, following the adverse weather of 1980, suggests that total agricultural output should rebound sharply this year. Much of the expected increase will come from larger rice harvests in Japan, South Korea, and the Philippines. Some decline is likely in Indonesia. Continued strong growth in palm oil output is likely for both Indonesia and Malaysia.

## East Asia—Centrally Planned <sup>2</sup>

In Vietnam, Kampuchea, and Laos, political tension continued to affect production and consumption of agricultural goods in 1980. However, adequate rainfall throughout the region and increased security in parts of Kampuchea improved prospects for 1981 somewhat, with larger rice harvests at the end of 1980. Vietnamese armies briefly moved into Thailand, and large Vietnamese military forces were tied down by guerrilla war in Kampuchea and, to a lesser extent, in Laos and southern Vietnam. This put a great burden on Vietnam's economy and curtailed progress in agriculture and other sec-

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<sup>2</sup> The agricultural situation in the People's Republic of China is presented in a separate report.



### East Asia: Production, trade, and stocks of selected agricultural commodities

Commodity	Year	Production	Imports	Exports	Net imports	End stocks
				1,000 tons		
Rice	1978	59,967	2,815	2,632	183	13,441
	1979	58,875	3,098	4,525	-1,427	12,532
	1980	60,362	3,555	4,697	-1,142	13,368
Wheat	1978	497	10,760	245	10,515	2,154
	1979	625	11,378	228	11,150	2,558
	1980	717	11,643	225	11,418	2,479
Coarse grains	1978	12,506	23,808	2,142	21,666	4,375
	1979	12,392	26,499	2,175	24,324	4,388
	1980	11,907	26,076	2,156	23,920	3,645
Cotton <sup>1</sup>	1978/79	246	7,600	140	7,460	2,171
	1979/80	337	8,688	150	8,538	2,535
	1980/81	367	7,525	110	7,415	2,421
Vegetable oils <sup>2</sup>	1978	6,126	472	3,105	-2,633	631
	1979	6,814	397	3,369	-2,972	754
	1980	7,348	493	4,094	-3,601	799
Sugar <sup>3</sup>	1978	6,698	3,935	2,653	1,282	2,320
	1979	7,153	4,291	2,859	1,432	1,913
	1980	6,545	4,059	2,869	1,190	1,235

<sup>1</sup>Cotton data in thousand 480-lb. bales and on August/July years.

<sup>2</sup>Production figures include production from imported oilseeds in Japan, Taiwan and the Republic of Korea.

<sup>3</sup>Centrifugal white sugar at 96 degrees polarity.

Sources: FAS; ESS estimates.

tors. Politics affected trade also. Thailand stopped all trade with Vietnam after the June incursion, refusing to continue exports of rice and sugar needed in Vietnam. After border incidents, Thailand also temporarily closed the border with Laos, which continued to require rice imports. International food aid did go to Kampuchea but was considerably hampered by foreign governments' reluctance to aid one side or the other in the civil war there. Combined food grain imports by Laos, Kampuchea, and Vietnam in 1980 are estimated to have been 2 million tons; this was probably not enough to satisfy normal requirements, especially in early 1980 in Kampuchea where a major hunger problem existed. Longer-term developments included the extension of collectivized agriculture in Laos and southern Vietnam.

In contrast to the three Southeast Asian countries, North Korea and Mongolia enjoyed political stability and some real economic growth. The weather was unfavorable in both countries, however, ending hopes for expanded agricultural output in 1980. Agriculture and light industry based on it provided about 50 percent of Mongolia's GNP in 1980, with livestock production still the keystone of the economy. In North Korea, emphasis on crop production and food processing remained high, but the country probably was a net food importer for the year, with wheat imports higher than rice exports.

U.S. trade with the five centrally planned East Asian nations remained very low in 1980. Exports of \$26 million were almost entirely sent to Kampuchea; imports of \$2 million consisted almost totally of camel hair from Mongolia.

### South Asia

For most South Asian countries, 1980 was a year of either continued or resurgent economic growth. Bangladesh, Pakistan, and Sri Lanka maintained economic

growth rates between 5 and 6 percent. India's economy, the largest in the region, recovered from a drought-induced decline in 1979 to grow by about 6 percent in 1980. Afghanistan, troubled by disruption after the Soviet intervention, and Nepal, suffering from the third consecutive year of subnormal rainfall, registered declines in economic growth. With all of South Asia's economies dominated by their farm sectors, growth in the region last year was driven primarily by a favorable 1980 monsoon, which boosted prospects for crops harvested in late 1980 and early 1981.

Despite favorable rates of economic growth, virtually all South Asian economies suffered worsening inflation, increasing trade deficits, and deteriorating balance-of-payments positions during 1980. Sharp increases in consumer prices for food and industrial products continued unabated during 1980. Inflation was caused primarily by food shortages stemming from the 1979 monsoon failure, by shortages of key industrial raw materials, and by increases in the cost of fertilizer and other petroleum products. Mounting trade deficits and debt service obligations led most South Asian countries to seek increased financial aid from both multilateral and bilateral sources to sustain agricultural and infrastructural development.

Agricultural production in South Asia advanced 3 percent during 1980, thereby raising per capita output marginally. Food production showed a slightly larger gain. Food production in India, by far the region's largest producer, increased by 3.4 percent in 1980, overshadowing a sharp 22-percent decline in Afghanistan and a 12.2-percent increase in Bangladesh. In Bangladesh, rice production increased 12.4 percent and wheat production 66.6 percent, because of good weather, more available inputs, and remunerative producer prices. But, the region's aggregate food production gains resulted primarily from increases in production of cereals—particularly rice—

# South Asia: Production, trade, and stocks of selected agricultural commodities

Country	Year	Production	Imports	Exports	Net imports	End stocks
1,000 tons						
Rice	1978	73,015	211	1,258	-1,047	8,903
	1979	61,036	877	1,497	-620	12,189
	1980	74,487	532	1,775	-1,243	10,841
Wheat	1978	43,618	4,555	724	3,831	11,485
	1979	48,554	3,588	682	2,906	8,687
	1980	45,666	3,006	400	2,606	7,625
Coarse grains	1978	34,256	33	3	30	2,832
	1979	30,943	42	25	17	1,761
	1980	32,130	38	—	38	1,881
Cotton <sup>1</sup>	1978/79	8,652	267	643	-376	2,159
	1979/80	9,688	242	1,675	-1,433	2,108
	1980/81	9,362	245	2,002	-1,757	1,314
Vegetable oils	1978	3,617	1,780	105	1,675	417
	1979	3,751	1,675	114	1,561	444
	1980	3,363	1,849	105	1,744	402
Sugar <sup>2</sup>	1978	7,988	450	576	-126	3,792
	1979	7,016	663	759	-96	2,344
	1980	4,867	1,021	67	954	734

— = None or negligible.

<sup>1</sup>Cotton data in thousand 480-lb. bales and on August/July years.

<sup>2</sup>Centrifugal white sugar at 96 degrees polarity.

that disguised trouble spots that most South Asian countries experienced, including tight supplies of wheat, pulses, vegetable oils, and sugar.

South Asian rice production is estimated at a record 74.5 million tons in 1980, with all countries except Afghanistan and Pakistan contributing record or near-record crops. Net rice exports by countries in the region, with Pakistan and India the major exporters, reached 1.2 million tons. Wheat supplies remain tight, although spring 1981 harvests are expected to be substantially above 1980 levels. Net wheat imports by countries in the region were about 3 million tons in 1980. Bangladesh, Pakistan, Sri Lanka, and Nepal are the major wheat importers. The Indian wheat situation is precarious, with Government stocks severely depleted and exports curtailed, but imports are not anticipated. Production of pulses, an important protein source in many South Asian diets, declined sharply in 1980—worsening a chronic shortage.

Indigenous vegetable oils have been in short supply in most South Asian countries in recent years, and the shortage was exacerbated in 1980 by production shortfalls following the 1979 drought, and by growing consumer demand. Estimated regional vegetable oil imports totaled 1.85 million tons in 1980, with India—the world's largest importer of edible oils—purchasing a record 1.4 million tons. The two largest markets in the world for U.S. soybean oil in 1980 were India (buying 366,405 tons) and Pakistan (buying 150,221 tons). Regional imports of vegetable oils in 1981 are expected to be only marginally below 1980 levels, as increased demand partially offsets expected gains in production.

The 1979 drought also reduced sugar production in South Asian countries in 1980. Sugar production in India, the region's only traditional sugar exporter, was particularly hard hit. Sugar supplies are expected to

improve in 1981, but most South Asian countries, including India, will depend on imports during the year.

Regional cotton availabilities remained comfortable in 1980, buoyed by increased production in India and particularly in Pakistan during 1979/80. Despite an expected drop in production during 1980/81 and growing demand for imported cotton in the nonproducing countries of Bangladesh and Sri Lanka, net cotton exports by countries in the region in 1981 likely will grow beyond 1980's level of about 1.4 million bales (480 pounds each). Production of tea, an important foreign exchange earner in the region, established a new record in 1980, but tea export earnings were up only marginally because of mixed prices and slackening export volume.

The value of 1980 U.S. farm exports to South Asia increased 14.6 percent to \$734 million. Contributing to the increase were exports of wheat and flour (up 35 percent to \$307.3 million), animal fats and oils (up 18.2 percent to \$41.6 million), and vegetable fats and oils (up 5 percent to \$330.4 million). The value of U.S. cotton exports to South Asia declined 37.4 percent to \$21.4 million.

U.S. agricultural imports from South Asia fell 15.3 percent to \$216.2 million in 1980. Smaller U.S. imports of South Asian coffee, nuts and nut preparations, tea, and vegetable oils and waxes led the decline, offsetting increased imports of drugs, spices, and rubber.

## Outlook

The 1981 monsoon will strongly influence the region's growth this year. Current projections are for excellent spring harvests. Regional net rice exports will remain near the 1980 level. A projected record or near-record wheat crop will be offset by stock rebuilding and by growing demand. Thus, wheat imports should be about



the same as in 1980. Availability of vegetable oils, sugar, and pulses is expected to improve, but the region will still need substantial imports, particularly of vegetable oils, in 1981.

Total farm exports from the region, principally rice, tea, cotton, jute, nuts, and spices, are expected to grow in 1981. The value of U.S. and world agricultural exports to South Asia, primarily wheat and vegetable oils, is not expected to increase substantially from 1980. The rising import bill for petroleum products, fertilizer, and consumer goods, plus continued slow growth in total exports, will again leave most South Asian countries with large trade deficits and deteriorating balance of payments positions in 1981. Substantial aid will again be needed to meet balance of payments deficits and maintain investment and growth in agricultural production.

## Oceania

Regional aggregates for Oceania are dominated by Australia and New Zealand data. Crop and livestock production in Oceania declined to the lowest level since 1974 because of drought and cyclical adjustments in livestock production in Australia. However, farm income set records as farm prices rose faster than production costs. Since Oceania agriculture is highly commercialized and efficient, the production of food and fiber is well beyond domestic needs and significant quantities are exported. Wool, beef, wheat, sheepmeat, and dairy products are major items. Strengthening world prices have expanded export earnings.

Although Oceania agricultural production expanded at a 2.5-percent annual rate during the quarter-century preceding 1979, output declined for the second consecutive year during 1980. Total production was off 6 percent, mainly because of a 15-percent reduction in crops. A drought occurred in major crop areas. Nevertheless, grain supplies are adequate for domestic needs and exports to traditional customers. However, grain stocks will be reduced and so will total grain exports. Livestock production was off slightly as reductions in beef and veal production were partially offset by sheepmeat and poultry.

Oceania had a favorable agricultural trade balance of \$1.6 billion with the United States during 1980. Oceania agricultural exports amounted to \$1.8 billion, while imports were valued at \$2 million. Beef and veal exports are the major items, followed by dairy products. Australia is the major exporter of frozen boneless beef, while New Zealand is the most important source of dairy products. As with other economic activity, Australia and New Zealand account for the major share of U.S. agricultural trade with the region. Tobacco and oilseed products are the main items imported from the United States.

The 1981 outlook for Oceania agriculture will depend on efforts to recover from the 1980 drought. Area planted to grain, especially wheat, will undoubtedly increase. Meat production will probably decline temporarily as breeding stock is withheld from slaughter and retained on farms and ranches. Expansion should follow, resulting in a net livestock gain during 1981.





# ASIA AGRICULTURAL SITUATION

## Review of 1980 and Outlook for 1981

### AFGHANISTAN

In the aftermath of Soviet intervention, reliable current data on the recent performance of Afghanistan's economy, traditionally one of the world's poorest, are not available. Agriculture normally accounts for about half the economy's GNP and two-thirds of its employment. Estimates suggest that the total value of agricultural production declined about 22 percent in 1980—indicating a sharp drop in GNP growth. Prior to Soviet intervention annual growth was only about 0.2 percent.

Despite an expected drop in farm exports, which normally provide 75-80 percent of total export earnings, available reports indicate that Afghanistan maintained a positive balance of trade in 1980. Export earnings during 1980, buoyed by increased returns from natural gas shipments to the Soviet Union, are estimated at \$470 million, while 1980 imports are estimated at \$331 million. The Soviet Union accounts for over 80 percent of Afghanistan's total imports and exports. Soviet aid in the form of grants of consumer goods, plus credits and grants for development projects, reportedly will provide about 30 percent of the Afghani operating budget for 1980/81.

#### Agricultural Supply and Utilization

Production of wheat, the major caloric component of the Afghani diet, is estimated at 2.2 million tons for both 1979 and 1980—substantially below the levels achieved during 1975-78. Output of all other important farm commodities—including rice, corn, barley, pulses, and potatoes—is believed to have declined in both 1979 and 1980. Production setbacks during 1979 stemmed primarily from poor rainfall. The 1980 harvests were affected by the large-scale displacement of farmers in important producing areas and by a shortage of inputs following the Soviet arrival in December 1979.

Agricultural exports during 1980 are expected to have dropped sharply from the 1979 level of about \$213 million. Small amounts of Afghanistan's traditional farm export commodities—wool, cotton, karakul skins, and dried fruits and nuts—reportedly were shipped to the Soviet Union. The agricultural import bill is believed to have increased from 1979's \$113 million, because of reported shipments of wheat and sugar from the Soviet Union. The magnitude of the drop in cereal production estimated for 1980 suggests that cereal imports totaling 500,000 tons were needed to maintain per capita consumption at recent, pre-intervention levels.

#### Outlook

The performance of Afghanistan's industrial and farm sectors is expected to improve during 1981. Growth in agricultural production is targeted at 5-10 percent for 1981, a goal that appears attainable if cultivated area rebounds and weather is near normal. Rainfall affecting the 1981 wheat crop, most of which is grown under rainfed conditions, is reported satisfactory. The Government reportedly is attempting to stimulate production by reducing the prices of farm inputs and establishing higher producer prices. A number of new state farms and agricultural co-ops have been formed, apparently with Soviet assistance. A focal point of Soviet aid to Afghanistan has been agricultural development, including several large irrigation projects, which may improve farm productivity in the future. (Rip Landes)

**Afghanistan: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
					1,000 tons	Percent	
Wheat	2,880	2,800	2,200	2,200	0	0.0	46.7
Corn	793	800	750	700	-50	-6.7	10.6
Rice	298	306	303	253	-50	-16.5	6.0
Barley	386	375	375	250	-125	-33.3	4.4
Cotton	50	50	47	30	-17	-36.2	3.4
Grapes	427	442	440	350	-90	-20.5	3.3
Potatoes	210	250	248	150	-98	-39.5	1.6
Total							76.0

<sup>1</sup>Estimates. <sup>2</sup>Based on the price-weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Afghanistan; FAS; ESS estimates.

## AUSTRALIA

The Australian economy grew only 2 percent during 1979/80, compared with 4 percent during 1978/79. Output of the rural sector dropped nearly 10 percent, while all other sectors grew 3 percent. Inflation and unemployment continue to be problems. The CPI increase in 1979/80 was 10 percent, and unemployment continued at 6 percent. However, total employment continued to increase.

Although a deficit persisted, strong agricultural exports improved the balance of payments considerably. Net farm income during 1979/80 reached a record high. The gross value of rural production rose 12 percent, while costs climbed 10 percent. Increases in the value of both crops and livestock boosted gross farm income. Gains in prices received offset declines in production.

### Agricultural Supply and Utilization

Agricultural output during 1980 was reduced about 10 percent from a year earlier. Crop production was down about 17 percent and livestock production 2 percent. Weather was not as favorable as in the preceding year; a drought became widespread during the second half of 1980. Fortunately, the declines in production coincided with a strengthening in world prices. The value of agricultural exports totaled \$9.8 billion, an increase of 19 percent from the previous year.

The wheat harvest during 1980 was nearly one-third less than a year earlier. Rising prices induced farmers to plant 3 percent more area, but yields were down 33 percent because of the drought in major producing areas. However, since the carryover from the previous crop was large, exports were a record 13.2 million tons. The USSR, China, Egypt, Japan, and Iraq were the major customers.

Coarse grain area increased about 8 percent, as farmers reacted to price rises of the preceding season. However, yields were lower and production was off about 13 percent. A large drawdown of stocks allowed domestic use to continue high and exports to rise.

Production of other crops showed mixed results. The rice crop was reduced by the dry weather, but the cotton

crop, which was mainly irrigated, was excellent. Domestic cotton use is static, but exports more than doubled. Fruit production was up slightly and dried fruit production was up substantially. Oilseed production was down about 5 percent.

Weather also affected livestock. Drought forced producers to market more cows and heifers, instead of retaining them in the herd for future expansion. This kept slaughter higher than anticipated (but less than last year) and has delayed the turnaround in the cattle cycle. Inventories of cattle and calves have been declining since January 1, 1976.

Exports of beef and veal during 1980 were down about 20 percent from the previous year. The United States and Japan accounted for 79 percent of all exports in 1980 and 70 percent the previous year. Domestic consumption was not reduced as much as exports since domestic beef prices improved relative to export prices.

The sheep industry has also been affected by the drought. Some sheep were forced to market, reducing the lamb crop. Total lamb and mutton production in 1980 was slightly less than a year earlier as lower weights offset the slight increase in slaughter. Live sheep exports to the Mideast have increased in recent years to 5.7 million head annually.

Wool production during 1979/80 was 713,000 tons, 1 percent above a year earlier and the highest since 1975/76. Wool exports were valued at \$1.9 billion, with Japan and the USSR the major customers.

### Outlook

The Australian economy is expected to show real growth of 3 percent during 1980/81. The nonfarm sector is expected to show a 4-percent annual growth rate as private investments in natural resources expand. Major threats to growth are an inflation rate above 10 percent and wage pressures.

During 1980/81, farm incomes are projected to be lower than last year but higher than in most other recent years. Farm costs will continue to rise.

**Australia: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Beef and veal	2,004	2,018	1,558	1,520	-38	-2.4	25.8
Wheat	11,051	18,090	16,115	11,000	-5,115	-31.7	15.8
Wool	711	706	713	676	-37	-5.2	14.7
Milk	6,092	5,849	5,632	5,374	-258	-4.6	9.4
Sugar cane	22,932	21,457	21,151	24,050	2,899	13.7	6.5
Lamb and mutton	551	492	539	500	-39	-7.2	3.5
Total							75.7

<sup>1</sup>Estimates. <sup>2</sup>Based on the price-weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Australia; FAS; ESS estimates.



Wheat supplies during 1981 should be sufficient for domestic consumption and for exports of about 11 million tons. Fortunately, the short wheat crop was preceded by two excellent crops, so carryin stocks were high. Wheat exports are expected to decline substantially from the record rate of last year. While most of the traditional markets will receive adequate quantities, large additional wheat sales to the PRC or USSR appear impossible.

The Australian Government increased the guaranteed minimum price (GMP) to wheat producers by 15 percent for the 1980 crop, to \$150 per ton, less freight and handling charges. Given high world prices, the GMP may again be raised to the limit of 15 percent for the 1981 crop. This would mean a doubling of the GMP over the past three seasons and make wheat a more profitable enterprise than other crops. Plantings of wheat in 1981 could be at least 12 million hectares, up from 11.5 million last year.

Coarse grain exports will be sharply lower in 1981, since feed use is expected to increase. Barley is the main feed grain export, followed by sorghum and oats. The USSR, Japan, and Taiwan will likely be the main customers. Coarse grain area may expand slightly in 1981, given the low stocks and high world prices.

Livestock and meat production is likely to be reduced during 1981. Smaller supplies would be available for domestic consumption and export. If pasture and range conditions return to normal, the cattle cycle is likely to turn around, with more cows and heifers retained in herds and fewer slaughtered. Both reduced beef consumption and reduced exports are in prospect for 1981.

Because of poor pasture conditions, the lamb crop may be reduced 12 percent. Slaughter and exports are expected to be maintained at last year's rates, leading to a decline in the sheep and lamb flock; flocks had been increasing during the past 2 years. While the Iran-Iraq war has made exports more difficult, the trade has continued, and increased Australian sheep exports are in prospect for 1981 as Mideast production is reduced. Wool production during 1980/81 is expected to be reduced as sheep numbers decline.

The sugar industry is expected to show substantial gains from strong world sugar prices. Area planted to sugarcane has been allowed to expand about 8 percent. Higher production will move into world markets and the value of sugar exports may double.

There are no major agricultural policy changes in Australia, although regulations may be changed for three minor commodities. First, Australia is attempting to extend its domestic tobacco mixing regulation to imported manufactured products. Second, legislation is being considered to end the dried vine fruit stabilization program. Excellent returns have been obtained from the export market and there is little interest in paying into a stabilization fund. The third change is in the apple and pear export returns for the 1981-85 seasons. Essentially, the Government will support apple and pear export returns at 95 percent of the weighted average for the four preceding seasons, which is less restrictive than the present program but only provides protection from sudden sharp price declines. (Allen Johnson)

## BANGLADESH

Record food grain production, a good performance in the industrial sector, and continued strong jute exports will likely boost Bangladesh's real GDP growth by 5.5 percent in 1980/81, slightly more than in 1979/80. Plentiful food supplies also will aid in reducing the inflation rate.

The price of rice actually declined 18 percent during 1980. By contrast, the price of all food, of fuel, and of clothing increased by 12, 18, and 8 percent, respectively.

Historically, Bangladesh has suffered devastating swings in rice prices. Last year, the seasonal peak for rice prices was 16 percent above the yearly average price—within the Government-targeted bound of 20 percent. This compares to a 22-percent swing from the average in 1979. The political instability generated by wide rice price swings is one of the most important issues in Bangladesh. Typically, rice prices rise from low levels during the main harvest period (November-January) to high levels during the off-season. Reducing these fluctuations has been a long-standing goal of the Bangladesh Government, which followed two major strategies: improving off-season food grain production by encouraging wheat production, and regulating ration distributions to lower the peaks and raise the dips in rice price swings. The quadrupling of wheat production in 1980/81 over 1977/78 has virtually eliminated spring price rises for

rice, since wheat is an acceptable substitute for rice in winter and spring months. Procured and imported food grains are channeled through ration distributions and open market sales—as part of the current P.L. 480 (Title III) Agreement—during the off-season. The Government procured nearly 1 million tons of food grains during the 1980/81 harvest season of November-March (twice the year-earlier level) to distribute during the off-season. The current price stabilization program has also benefited from healthy food grain stock levels.

Bangladesh's export earnings will increase 24 percent to \$1 billion in 1980/81 because the country will continue to export a high volume of jute and jute products. Imports will likely moderate to \$2.4 billion, down 8 percent. This decline is due to decreased volume of food grain imports, which in 1980/81 will be 1.2 million tons. The trade deficit of \$1.4 billion is down from \$1.6 billion in 1979/80.

### Agricultural Supply and Utilization

Food grain production rose by 15 percent in 1980/81. Rice production, estimated at 14.3 million tons, was up substantially from the 1979 crop of 12.7 million tons. Bangladesh's winter, summer, and fall rice harvests all

### Bangladesh: Production of selected agricultural commodities

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Rice	12,493	12,850	12,714	14,300	1,586	12.5	84.4
Wheat	185	343	494	823	329	66.6	2.8
Jute	883	1,169	1,210	816	-396	-32.6	5.4
Sugarcane	6,417	6,777	6,938	6,676	-262	-3.8	3.7
Tea	31	38	36	40	-4	-11.0	1.9
Total							98.2

<sup>1</sup>Estimates. <sup>2</sup>Based on the price-weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Bangladesh; FAS; ESS estimates.

achieved record levels in 1980. Improved flow of irrigation inputs, especially fuel for pump operation, helped the winter harvest. A favorable rice/jute price ratio, plus a timely onset and distribution of the monsoon, ensured the record fall rice harvest. Fertilizer use—mostly on rice—increased by 19 percent to 438,000 nutrient tons. Low fertilizer/rice price ratios induced farmers to increase fertilizer use dramatically in 1980.

Current estimates suggest the recently harvested 1981 wheat crop totaled 1.2 million tons, continuing a strong upturn for the fourth consecutive year. Wheat is a popular winter crop. It can boost profits on previously fallow land or be planted in rotation with summer rice and jute. Many Bangladeshi farmers are able to produce two or even three grain crops per year. The Government also encourages wheat producers by offering to buy wheat at the same price as rice, about \$5.50 per bushel. Increased wheat area, one of the real achievements of the Government's procurement program in the 1970's, is likely to reach 2 million hectares or more in the 1980's, as irrigation and fertilizer distribution constraints are removed.

Per capita consumption of food grains is estimated at 160 kilograms per year. Food grains comprise about 80 percent of the daily per capita energy intake of 2,200 calories. The average rural Bangladeshi consumes about 191 kilograms of food grains annually, 18 percent more than the national average. But while the average for rural consumers is higher, more of the Bangladeshis who suffer severe nutritional deficiencies are rural. Available household survey data indicate that for 30 percent of the rural population and 15 percent of the total population, energy intake is inadequate—less than 1,720 calories daily.

Area planted to jute in Bangladesh decreased 31 percent to 587,000 hectares, since prices were unattractive relative to rice. Jute production is estimated at 816,000 tons, compared to 1.2 million the previous year.

Bangladesh depends heavily on jute for foreign exchange. Total exports of are estimated at \$1 billion in

1980/81, and raw jute and jute products represent 74 percent or \$744 million of the total. Exports of tea, leather, fish, and shrimp will reach \$200 million, or about a fifth of the total.

Agricultural imports of \$350 million will comprise about 15 percent of total imports, down substantially from 1979/80. Concessional food grains will continue to dominate agricultural imports in 1980/81, with total value reaching an estimated \$220 million (about 1.1 million tons of wheat and 100,000 tons of rice).

Government food grain stocks stood at 881,000 tons on July 1, 1980. Since then imports have totaled 1.2 million tons, local procurement 1 million tons, and offtakes 1.8 million tons. After adjustment for a 2.5-percent storage loss, ending stocks in June 1981 should reach a comfortable 1.25 million tons.

Cotton imports will reach 45,000 tons (35 to 40 percent from the United States) in 1980/81, down 18 percent because of a shortfall in the U.S. supply. This shortfall will be partially filled by increased imports from Pakistan and the USSR.

U.S. agricultural exports to Bangladesh, mostly wheat, totaled \$221 million in 1980, up 53 percent from 1979. U.S. agricultural imports, mostly raw jute, amounted to \$2.9 million in 1980, compared with \$4 million in 1979.

## Outlook

For the first time since independence in 1971, Bangladesh's domestic production of rice will meet local demand in the coming year. This development, founded on a combination of good weather and agricultural policy adjustments, poses a challenge for Bangladesh in the 1980's—to shift policy emphasis from maintaining consumption levels via the ration system to stimulating production and improving the food purchasing power of the rural sector.



Bangladesh must improve production capacity further or increase imports. The nation's current 5-year plan aims at exploiting agricultural potential and achieving food self-sufficiency by 1985. But self-sufficiency depends on several requirements: major expenditures for storage capacity, the most pressing current need; production incentives that ensure adequate inputs; basic research; improvement of agriculture-related institutions; and coordination with major foreign donors of agricultural aid. The United States' current Title III program, for example, encourages greater storage capacity as a policy goal beneficial to Bangladesh.

Oilseed production in 1981 is forecast to increase 7 percent, but domestic production will provide less than half

the expected consumption for edible oil.

Continued growth in agricultural exports and foreign worker remittances will partially offset the nation's increasing debt burden. The debt service ratio may reach 20 percent in 1981, compared with the 1979/80 average level of 15.5. Bangladesh should be able to handle the expected flow of concessional food imports in 1981. U.S. agricultural exports to Bangladesh in 1981 may reach \$190 million, with wheat accounting for over half the total. U.S. cotton and soybean oil shipments should bounce back to near 1979 levels. (Richard F. Nehring)

## BURMA

The dramatic improvement in Burma's economic situation continued in 1980/81 (April-March), with a strong export performance pushing real GNP up more than 8 percent, the greatest percentage rise in the last 20 years. A record rice crop was harvested. Other positive economic developments were: (1) the inflation rate declined to 5 percent, compared with the 6-percent increase of 1979, reflecting the impact of the record rice crop; (2) foreign

exchange holdings at the end of 1980 amounted to more than \$300 million, up 50 percent over 1979; and (3) value of oil exports increased more than 20 percent, even though volume declined 20 percent to 1 million barrels.

Preliminary estimates indicate that total exports rose to nearly \$500 million in 1980, up from \$392 million in 1979. Total imports were close to \$750 million, compared

**Burma: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Rice	5,561	6,317	5,852	7,650	1,798	30.7	54.3
Peanuts	428	464	390	442	32	8.2	11.2
Pulses	290	361	364	428	64	17.6	4.9
Sesame	119	111	209	132	-73	-34.9	5.7
Vegetables	1,075	1,182	1,075	1,050	-25	-3.3	6.0
Total							82.1

<sup>1</sup>Estimates. <sup>2</sup>Based on the price-weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Burma; FAS; ESS estimates.



to less than \$550 million in 1979, giving Burma a trade deficit close to \$300 million, which was covered by a larger influx of loan capital.

Burma's very positive growth record in 1980 in part reflects the low level the economy had reached in the mid-1970's. Recent production increases were aided largely by (1) use of excess industrial capacity, (2) external assistance that reversed the previous loss of foreign investment, and (3) higher procurement prices and improved extension services in the agricultural sector.

## **Agricultural Supply and Utilization**

Weather conditions in 1980 were excellent and virtually all major crops set records. Rice production increased 31 percent to 7.7 million tons. In addition to enjoying good weather, rice producers benefited from a production program which focused on extending new technology to targeted townships. The program achieved a 36-percent increase in use of HYV's and a 38-percent increase in fertilizer use during 1980. The government bought about 35 percent of the present crop for export and urban consumption. Burmese consumption of rice in 1980 was among the highest in the world at more than 160 kilograms per capita. Only Bangladesh, Laos, South Korea, Taiwan, Thailand, and Vietnam are comparable in per capita rice consumption.

The 1980 oilseed crop reached an estimated 870,000 tons, up 50 percent over the 1979 estimate. Burma is the world's tenth leading producer of peanuts. Edible oil consumption in Burma is approximately 4.5 kilograms per capita, roughly half imported, and the nation aims to reach 9 kilograms per capita in the near future.

Jute production in 1980 reached an estimated 112,000 tons, up 20 percent. Corn production increased 25 percent to 154,000 tons, as Burma exploited its idle land. Corn production is expected to increase to more than 300,000 tons by the mid-1980's.

Stimulated by various aid programs, Burma's livestock sector has grown about 5 percent annually. Currently, the United Nations Development Program, World Bank, Japan, and the Asian Development Bank are funding various livestock projects. Meat and egg production both increased 5 percent in 1980. These products comprise about 20 percent of Burma's protein intake, the remainder coming from fish and carbohydrate sources.

Agricultural exports held steady at close to \$300 million, as reduced volume of oilcake exports essentially offset increased volume of rice exports. Large 1979 and 1980 crops generated rice exports of close to 600,000 tons, valued at \$150 million. Surpluses available for export during 1981 could reach 1 million tons, although actual movement is not likely to be that high. In 1980, Indonesia, Sri Lanka, and Africa were the major markets for Burmese rice. Burma is currently the fourth largest exporter of rice in the world and may move to second or third by the mid-1980's by exploiting its comparative advantage in production. Agricultural trade between the United States and Burma was virtually nonexistent in 1980.

## **Outlook**

Burma has proven it can change cultural practices and improve yields for rice through a program of mass mobilization. It plans to use the same intensive method to boost oilseed and corn production over the next 5 years.

Burma has targeted rice exports at 700,000 to 800,000 tons for 1981. Firm prices for exports of rice, oilcakes, beans, and corn could push the value of 1981 agricultural exports to \$350 million. (Richard F. Nehring)

## **HONG KONG**

For Hong Kong, 1980 was the second consecutive year of bullish growth, led by strong manufacturing and exports. Hong Kong's real GDP increased 10.5 percent, making its economic record one of the most impressive in the world in 1980. However, unemployment increased slightly to 4.3 percent and the inflation rate increased to 17 percent.

Total imports increased over 30 percent in 1980 to \$22.3 billion, aided by a strong economy and a weakening Hong Kong dollar. Hong Kong's growing role as the transshipping agent between China and the outside world helped generate a nearly 60-percent growth in re-exports, to \$6 billion. Hong Kong's imports from China amounted to more than \$4 billion in 1980 and exports reached \$1.5 billion. The United States remains Hong Kong's largest trading partner, accounting for 27 percent of the nation's exports and 12 percent of its imports.

Total exports increased 24 percent to \$19.7 billion. The garment sector maintained its top export position but

declined in relative importance because of industrial diversification. Exports of clothing grew 17 percent to more than \$4.6 billion, while electrical machinery and equipment exports grew 42 percent to nearly \$1 billion. The increase in labor supply, resulting from the influx of refugees and immigrants, slowed the rate of increase in labor costs and contributed to the competitiveness of Hong Kong exports in the international market.

Hong Kong's 1980 trade deficit of \$2.6 billion, compared to \$2 billion in 1979, was covered by financial inflows from the nation's growing role in banking investments and services.

## **Agricultural Supply and Utilization**

Total imports of agricultural commodities by Hong Kong reached a record \$3.5 billion in 1980, (up from \$3 billion in 1979). Cotton imports were valued at \$340 mil-

lion, (up from \$278 million in 1979), live hog imports at \$235 million, and rice imports at \$180 million. Agricultural imports from China were valued at close to \$1.2 billion. Imports of Chinese hogs, cattle, poultry, and horticultural products increased.

Live animal imports continued to grow dramatically in 1980. Live hog imports, mostly from China, reached 4 million head; imports of live cattle and live poultry also increased. Meat production amounted to 260,000 tons of pork, about 65,000 tons of beef, and close to 40,000 tons of poultry. New feed mills have been built to supply the expanding feedlots for the livestock industries. Per capita consumption of pork in 1980 amounted to about 50 kilograms. Ruminant consumption was 15 kilograms per capita, and poultry consumption 20 kilograms. Total meat consumption in Hong Kong is comparable to that in the United States and Europe.

Hong Kong coarse grain imports remained steady at about 310,000 tons. Thailand and China were major suppliers. Hong Kong rice imports also stayed the same at 380,000 tons, supplied mainly by Thailand, China, and Australia.

Total U.S. agricultural exports to Hong Kong reached \$437 million last year, up 21 percent over 1979. The volume of U.S. cotton exports to Hong Kong increased 11 percent to 107,000 tons in 1980, and value jumped 16 percent to \$151 million. Strong gains in U.S. exports of

apples, vegetables, citrus, and poultry more than offset a 7-percent volume decline of U.S. wheat exports, to 90,000 tons. U.S. imports of Hong Kong agricultural products—mostly oil preparations, mushrooms, and fruits—amounted to \$42 million in 1980, up 30 percent over 1979.

## Outlook

The value of Hong Kong's total agricultural imports will likely rise to \$4 billion in 1981. China is expected to provide about one-third of Hong Kong's agricultural imports, the United States one-seventh, and the European Community about 8 percent. The outlook for U.S. exports of farm products to Hong Kong during 1981 is bright. A rebound in U.S. cotton sales in the latter half of 1981 and growing demand for poultry meat and citrus should push exports to \$550 million.

The Hong Kong economy will continue its strong growth in 1981 because of continued gains in the manufacturing sector and an increase in exports of 7 to 10 percent. However, imports may rise even faster, increasing the trade deficit to over \$3 billion. (Richard F. Nehring)

## INDIA

Driven by a recovery in agricultural production following a favorable 1980 monsoon, India's GNP is expected to show real growth of 6 percent during 1980/81 (April-March), following a drought-induced decline of 4.5 percent during 1979/80. The recovery in farm production was the bright spot of India's economy during 1980. Shortages of key inputs—including steel, cement, fuel, and electricity—and transportation bottlenecks have hurt industrial growth. Industrial output declined by 1.4 percent during 1979/80 and is expected to grow by only 3 percent during the current year despite rising demand and underutilized capacity.

As in 1979, inflation pervaded the Indian economy during 1980. Domestic shortages and soaring energy costs pushed average wholesale prices for all commodities 20.9 percent higher in 1980. And, despite comfortable cereal stocks prior to the 1979 drought, shortages of a number of food commodities and increases in input prices led wholesale food prices to average 11.4 percent higher.

An alarming rise in the cost of petroleum imports seriously eroded India's balance of payments position during 1980. The country was forced to make large spot market oil purchases after the interruption of normal supplies from Iran, Iraq, and the northeastern state of Assam. These purchases will raise India's petroleum import bill 70 percent to about \$7 billion during 1980/81. Even though invisible transfers partially offset the oil debits, India's foreign exchange position deteriorated during 1980, after having improved steadily during 1975-79.

## Agricultural Supply and Utilization

Agricultural production advanced 3.4 percent during 1980, a gain that partially reflects India's recovery from the poor 1979/80 harvest. The performance of India's farm sector despite the severe monsoon failure in 1979, and the substantial recovery in production underway during 1980/81, have demonstrated the prevailing

**Figure 1: India -Wholesale Price Indices for Wheat, Rice, Vegetable Oils and All Commodities; Jan.1978-Dec.1980**

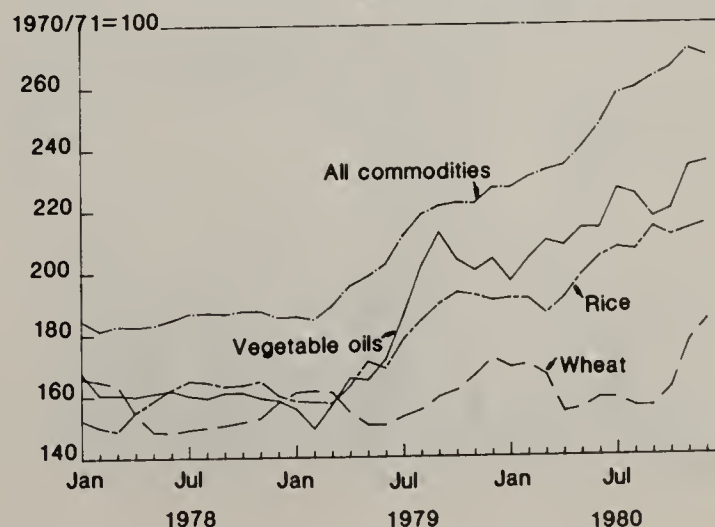




Table 1--India: Area and production of selected agricultural commodities

Commodities	Area				Production				Change 1980 over 1979	Share of total pro- duction 2/	
	1975-77 average	1978	1979	1980 1/	1975-77 average	1978	1979	1980 1/			
	-----1,000 hectares-----				-----1,000 tons-----				-----Percent-----		
Rice (milled)	39,423	40,482	38,974	40,500	47,797	53,773	42,185	54,000	11,815	28.0	31.6
Wheat	19,795	21,456	22,641	21,964	27,320	31,749	35,508	31,564	-3,944	-11.1	13.7
Coarse grains	42,967	42,401	41,301	41,350	30,042	30,611	27,256	28,620	1,364	5.0	9.7
Cereals	102,185	104,339	102,916	103,614	105,159	116,133	104,949	114,184	9,235	8.8	55.0
Pulses	23,154	23,497	23,657	21,750	11,471	11,972	12,183	8,371	-3,812	-31.3	3.9
Food grains	125,339	127,836	126,573	125,364	116,630	128,105	117,132	122,555	5,423	4.6	58.9
Peanuts	7,098	7,433	7,238	7,400	6,035	6,208	5,772	6,000	228	4.0	4.3
Rapeseed	3,383	3,584	3,544	3,475	1,913	1,650	1,860	1,433	-427	-23.0	1.2
Cottonseed	7,367	8,119	8,078	8,100	2,166	2,734	2,643	2,650	7	.3	1.1
Flaxseed	2,026	2,010	2,092	1,640	527	527	535	270	-265	-49.5	.2
Sesame	2,278	2,389	2,384	2,400	474	514	371	500	129	34.8	.6
Castorseed	470	380	447	438	177	217	229	233	4	1.7	.2
Soybeans	175	275	400	550	133	220	300	450	150	50.0	3/
Other oilseeds	2,352	2,384	2,360	2,408	1,198	1,186	1,177	1,233	56	4.8	3/
Oilseeds	25,149	26,574	26,543	26,411	12,623	13,256	12,887	12,769	-118	-0.9	3/
Sugarcane	2,841	3,151	3,119	2,670	145,967	176,966	156,450	128,000	-28,450	-18.2	5.6
Cashews	NA	NA	NA	NA	146	130	150	140	-10	-6.7	.1
Coffee	172	192	195	197	93	125	110	150	40	-36.4	.4
Tea	365	372	375	378	520	571	546	572	26	4.8	.9
Cotton	7,367	8,119	8,078	8,000	1,078	1,353	1,309	1,328	19	1.5	3.5
Jute	706	888	750	755	909	1,162	1,102	1,080	-22	-2.0	.8
Tobacco	394	504	409	422	355	464	427	420	-7	-1.6	.9
Cassava	389	358	361	380	6,446	5,688	6,053	6,200	147	2.4	.7
Onions	198	220	230	230	2,071	2,275	2,100	2,400	300	14.3	3/
Potatoes	610	665	790	790	6,900	8,135	10,130	9,000	-1,130	-11.2	2.0
Total											81.4

NA = Not available.

1/ Estimated.

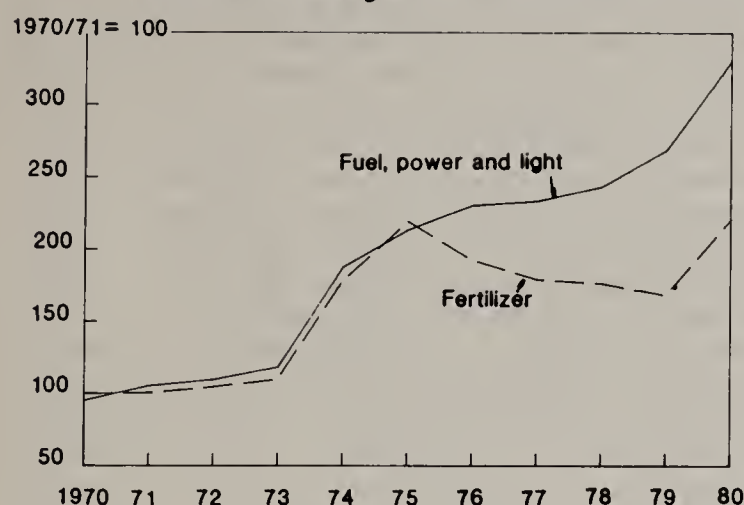
2/ Based on price weighted share of the total value of agricultural production as provided in Indices of Agricultural Production, and using 1969-71 average producer prices.

3/ Not available-not included in Indices of Agricultural Production.

Sources: Ministry of Agriculture, Government of India; ESS estimates.



**Figure 2. India - Wholesale Price Indices for Fertilizer and Fuel, Power and Light Annual Average 1970-1980**



strength of India's agricultural economy. Substantial buffer stocks of cereal have enabled India to maintain a positive balance of agricultural trade despite the 1979 drought, shortages of power and diesel fuel for irrigation purposes in both 1979 and 1980, and inadequate rainfall in several key rainfed producing areas in 1980. Shortages of several food commodities, coupled with sharp increases in fertilizer and fuel prices raised food prices during 1980. Principal trouble spots in the farm economy include a chronic shortage of pulses and vegetable oils, very tight wheat supplies, and an acute sugar shortage that has led India to import sugar at least temporarily.

Currently, India's 1980/81 rice crop is expected to set a new record, with most major producing areas receiving normal or above normal rainfall. With prospects for record procurement, Government rice stocks, which remained above the desired buffer levels even during the drought, will be more than ample to cover the 1981 export target of 1 million tons. The bulk of Indian rice exports in recent years has been through petroleum-for-rice barter agreements with the Soviet Union. A large portion of this rice has reportedly been diverted to Vietnam and Kampuchea.

India's wheat situation remains precarious. Despite reports of excellent wheat crops in Punjab and Haryana, dryness during planting in some areas and the possible adverse effect of input price increases are leading to uncertainty over the 1981 harvest. Current estimates range from 33 to 36 million tons; compared to 1980's drought-affected 31.6 million tons. Once comfortable Government wheat stocks, which stood at 6.2 million tons in March 1979 and 5.4 million tons in March 1980, will fall to 2.5-3 million tons by March 1981. Even duplication of the record 8-million-ton procurement in 1979 will not allow significant rebuilding of stocks without continued cutbacks in wheat allocations for fair price shops and the National Rural Employment Program. To solve the problem, the Government is expected to opt for decreased wheat (and increased rice) allocations to these programs, and higher wheat prices, rather than wheat imports. The only wheat imports expected for 1981 are bulgur shipments under Title II of the P.L. 480 pro-

gram, and a 25,000-ton repayment of a wheat loan by Bangladesh to be shipped from the United States.

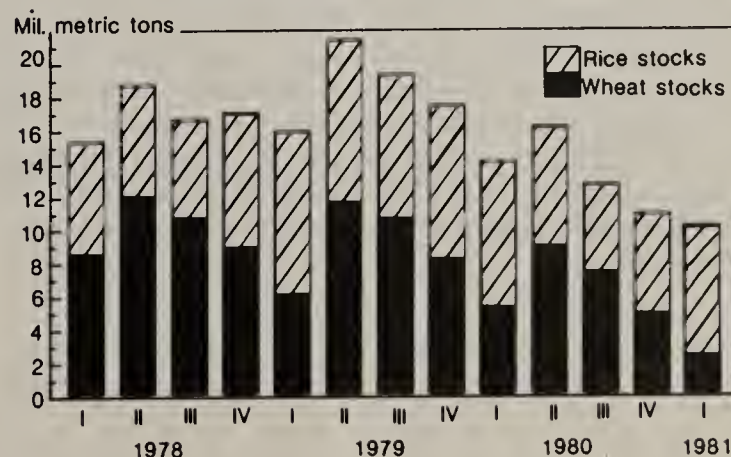
Because of the late season dryness in Rajasthan, Maharashtra, and Karnataka, production of coarse grains during 1980/81 is expected to recover only marginally from 1979/80 levels. Substitution of rice for coarse grains is expected to ameliorate the effect of the continued shortage on low income groups—normally the major consumers of coarse grains. No coarse grain imports are expected.

Production of pulses, a principal source of protein in the Indian diet, fell to the lowest level in 13 years during 1979/80, exacerbating what is becoming a chronic protein shortage. As a result, pulse prices rose sharply during 1980 and will remain high despite projections for a substantial recovery in pulse production—to about 12 million tons—in 1980/81. Pulse imports are expected to rise to about 150,000 tons in 1981, with Thailand, Turkey, and Syria the major suppliers.

Peanut production is expected to improve only marginally during 1980/81 because of poor rainfall in parts of Tamil Nadu and Andhra Pradesh and the early withdrawal of the monsoon from Gujarat during 1980. India's export quota for hand-picked and selected (HPS) peanuts for the 1980/81 season (October-September) has been set at 50,000 tons. The entire quota has reportedly been contracted for shipment primarily to traditional European and Southeast Asian markets. The Government is considering raising the quota to take advantage of high world peanut prices. Fear of further aggravating the price of peanut oil, the cooking medium favored by Indian consumers, is the major deterrent to expanding HPS peanut exports.

Domestic vegetable oil production dropped 13 percent to 2.6 million tons during 1980, forcing India, already the world's largest importer of vegetable oils and U.S. soybean oil, to import an estimated record 1.4 million tons of edible oils. The United States (366,404 tons) and Brazil (261,000 tons) were the largest suppliers of soybean oil, Malaysia (398,000 tons) and Singapore (116,000 tons) the major suppliers of palm oil, and Canada (100,000 tons) the principal source of rapeseed oil during 1980.

**Figure 3: India: Government held Wheat and Rice Stocks by Calendar Quarter, 1978-1981**





Production of vegetable oils is expected to recover to about 3 million tons during 1981, reducing import requirements. Concern over the cost of edible oil imports, and a 25-percent reduction in the proportion of imported oils that may be used in vanaspati production—normally the major use of imported oils—may also result in smaller 1981 imports. Current projections are for 1981 imports to total 1.2 million tons and include 500,000 tons of soybean oil (250,000 to 300,000 tons from the United States), 525,000 tons of palm oil, and 150,000 tons of rapeseed oil.

The availability of white sugar, khandsari, and gur declined, and prices rose alarmingly in India during most of 1980. The effects of the 1979 drought, coupled with unremunerative producer prices, caused production of white sugar to fall from 6.9 million tons in 1977/78 and 6.2 million tons in 1978/79 to 4.2 million tons in 1979/80. The drop in production necessitated a sharp drawdown of sugar stocks, a ban on all sugar exports as of April 1980, and the initiation of sugar imports by the end of the year. The favorable 1980 monsoon and higher producer prices, established in part because of farmer agitation, are expected to lead to a recovery in sugarcane production during 1980/81. A ban on diversion of sugarcane to khandsari production during the first 2 months of the crushing season will help boost white sugar production to about 5.9 million tons during 1980/81. However, the need to rebuild depleted stocks will lead to a continued ban on all sugar exports and to about 200,000 tons of additional imports during the 1980/81 season.

India's 1980/81 cotton harvest suffered from poor late season rainfall in Gujarat and is expected to improve little over 1979/80 levels. India was a net exporter of raw cotton in 1979 and 1980 and is expected to remain so. Cotton exports for 1981 are projected at 600,000 bales (480 pounds each) compared to 367,000 bales during 1980.

The supply situation for India's largest agricultural foreign exchange earners—tea and coffee—remains bright. Tea production set a new record in 1980, but surplus supplies in the world market and increased competition from other suppliers, primarily China, kept both the volume and value of tea exports from growing substantially. Production and exports of coffee also established new records in 1980. Production is expected to be off slightly in 1981, but large stocks and favorable prices are expected to lead to even larger exports—about 82,000 tons—in 1981. The volume of cashew kernel exports, another important foreign exchange earner, has not grown substantially in recent years because of stagnating domestic production and the unavailability of raw cashews in the world market. India is not expected to boost cashew production or exports significantly in the near future, but high world prices will probably continue to buoy export earnings. The Soviet Union and Eastern Europe remain the largest markets for Indian tea, coffee, and cashews.

## Outlook

The bottlenecks that hindered progress during 1979 and 1980 are expected to ease somewhat during 1981, leading to an improved rate of growth in the industrial sector. There will be continued pressure in the economy for higher prices for food and industrial products—pressure caused primarily by the rising cost of energy-based inputs. The cost of imported petroleum may ease somewhat with the anticipated resumption of normal supplies from Assam and, perhaps, Iran and Iraq. India's balance of payments and foreign exchange situation will continue to deteriorate because of slow growth in export earnings and the continued substantial need for the most expensive import items: petroleum, fertilizer, and edible oils. Policies can be expected to promote exports, to expand production, and minimize imports of commodities which India can produce more cheaply than foreign suppliers, particularly steel, fertilizer, grains, and oilseeds. Efforts to expand oil exploration will continue. There will be a growing need for foreign assistance to achieve these goals.

Despite emphasis on expanding pulse and oilseed production, domestic shortages and substantial import requirements for these commodities will likely persist in the near term. The current shortages of wheat and sugar are expected to be temporary. The need to rebuild stocks and expand wheat availabilities through fair price shops and the National Rural Employment Program precludes wheat exports in the foreseeable future. The growing rice surplus suggests that India will become more aggressive in finding markets for both coarse and fine varieties of rice.

Although 2 drought years in close succession would probably necessitate cereal imports, current projections indicate that India has achieved long-run market self-sufficiency, but not nutritional self-sufficiency, in cereals. Thus, India may now try to make cereals more available to those who consume less than the recommended number of calories (estimated at 46 percent of the population), and to expand production of other farm commodities—including pulses and oilseeds.

India's redrafted Sixth Five Year Plan, finalized in early 1981, sets higher growth rate targets and provides more resources for pulse and oilseed production than any previous plan. The plan also continues emphasis on increasing fertilizer production and utilization, and on expanding irrigated crop area. Two major factors will determine India's ability to maintain its impressive production growth: the impact on production of the increasing cost of energy-based inputs, and whether the Government can marshal the financial resources to adequately expand fertilizer utilization and irrigated area. (Rip Landes)

Table 2--India: Major agricultural exports, quantity and value, calendar years 1975-80

Commodity	Quantity						Value					
	1975	1976	1977	1978	1979	1980	1975	1976	1977	1978	1979	1980
	1,000 tons						Million dollars					
Wheat	3	1	90	724	682	400	1	--	12	113	113	70
Rice	19	38	19	143	400	550	12	14	6	55	140	206
Cashews (kernels)	59	55	38	23	37	39	146	149	150	100	150	224
Sugar	1,125	1,064	278	515	713	63	563	371	63	101	164	19
Coffee	60	49	49	64	62	70	73	110	205	182	197	283
Tea	219	237	230	176	200	225	292	305	609	443	445	494
Pepper	25	18	25	19	21	26	40	30	57	45	46	53
Oilcakes	1,027	1,947	1,524	1,047	1,436	1,100	109	217	238	118	197	160
Tobacco	78	80	90	69	66	70	119	104	132	132	124	155
Peanuts	76	166	51	3	25	40	43	79	35	2	21	55
Cotton	25	61	--	2	55	80	22	55	--	4	75	115
Castor oil	22	34	24	35	50	60	12	18	22	27	39	43
Other	NA	NA	NA	NA	NA	NA	283	339	415	452	420	440
Total	NA	NA	NA	NA	NA	NA	1,689	1,782	1,944	1,774	2,131	2,317

-- = None or negligible.

NA = Not available.

Sources: GOI; FAO, FAS and ESS estimates.

Table 3--India: Major agricultural imports, quantity and value, calendar years 1975-80

Commodity	Quantity						Value					
	1975	1976	1977	1978	1979	1980	1975	1976	1977	1978	1979	1980
	1,000 tons						Million dollars					
Dry milk	35	20	33	37	35	36	19	20	34	35	34	35
Wheat 1/	7,186	6,289	859	321	317	325	1,398	1,179	166	85	95	100
Rice	185	244	125	72	107	100	42	60	45	29	41	38
Coarse grains	207	418	47	3	10	15	32	61	11	1	2	4
Pulses	4	11	21	79	101	120	1	2	5	25	33	43
Cashews (raw)	136	75	64	23	34	15	38	23	28	11	15	10
Sugar	--	--	--	--	--	180	--	--	--	--	--	72
Oilseeds	14	3	32	218	29	--	5	1	11	90	10	--
Cotton	35	42	157	26	5	--	38	80	274	58	9	--
Vegetable oil												
Palm	62	26	320	486	396	520	26	9	177	243	245	320
Soybean	4	151	441	513	555	692	3	70	253	306	430	450
Rapeseed	9	36	224	145	135	135	9	19	136	88	59	70
Other	1	18	50	36	17	26	1	18	55	40	20	23
Total	76	231	1,035	1,180	1,103	1,373	39	116	621	677	754	897
Other	NA	NA	NA	NA	NA	NA	172	186	180	175	275	290
Total	NA	NA	NA	NA	NA	NA	1,784	1,728	1,375	1,186	1,268	1,489

-- = None or negligible.

NA = Not available.

1/ Includes shipments of bulgur wheat under P.L. 480, Title II.

Sources: GOI; FAO; FAS and ESS estimates; vegetable oil import data based on partner country exports.



## INDONESIA

Overall economic performance improved in 1980, as real GNP rose about 7 percent, compared with 5 percent in 1979. Inflation moderated to 17 percent from 22 percent in 1979, but continued above the 11-12 percent rates of 1977-78. Real income gains were generally small, limiting consumer demand. Commodity prices generally kept pace with inflation. About 30-40 percent of the labor force continues to be unemployed or underemployed. Economic performance in 1980 was boosted by the record 19.9-million-ton rice crop, 28 percent greater net export revenues from oil and liquified natural gas (LNG), and a 50-percent expansion in budgeted Government expenditures.

Foreign trade is critical to Indonesia's economy and development. Oil and LNG provided nearly 74 percent of total export revenues in 1980, up from 64 percent in 1979. The overall volume and value of nonoil exports declined slightly from the high level of 1979. Sharply higher oil sector export revenues boosted foreign exchange revenues by \$3.1 billion, to a total of \$7.3 billion at year's end. Oil production, which has declined annually since 1977, was 2 percent lower in 1980, although intensified exploration bodes well for greater output, possibly beginning in 1981.

### Agricultural Supply and Utilization

Total agricultural production was 4 percent above 1979, owing chiefly to the record rice crop. Production of the major secondary food crops (corn, soybeans, sweet potatoes, and cassava) was disappointing, despite recent emphasis on an overall food production policy to eliminate the domestic food production deficit.

#### Food Crops

Of total agricultural output, food crops (principally rice, cassava, corn, soybeans, peanuts, sweet potatoes, and fruits and vegetables) account for about 63 percent,

perennial crops 26 percent, livestock 7 percent, and fisheries 4 percent. Per capita consumption of grain in 1980 was about 178 kilograms, 3 percent above 1979. With rice accounting for 84 percent of the total and corn the remainder, overall grain production increased to 23.5 million tons, 11 percent above 1979. Irreversible import orders resulted in total rice imports of 2.07 million tons, slightly exceeding the 1979 level, despite the cancellation or deferral of about 500,000 additional tons. Large carryover stocks could limit 1981 rice imports to 1.8 million tons or less if 1981 output comes close to 1980 production. The huge 1980 rice output resulted from several factors: increased harvested area; higher fertilizer and plant protectant use; larger plantings of disease and pest-resistant, high-yielding varieties, better growing conditions; improved irrigation capacity; and overall improved farming practices.

Production of corn, important in the diet of low income groups, increased 9 percent in 1980 to 3.6 million tons. The Government is stimulating production by guaranteeing minimum prices and increasing research and extension efforts.

Wheat, although not grown in Indonesia, is playing an increasingly important role as the low-cost grain staple in the Government's food stabilization program. Wheat supplements supplies of rice and other domestic secondary food crops. In 1980, wheat imports, 51 percent from the United States, totaled 1.5 million tons as per capita consumption neared 10 kilograms, up from 8 kilograms in 1977.

Cassava production, 12.4 million tons, 7 percent below 1979, has been fairly stagnant in Indonesia since 1974, like production of most other nonrice food crops. The average yield was 7 percent below 1979, due in part to unfavorable weather in the planting period in late 1979, and perhaps to 1979 harvesting of roots that would normally have been harvested in early 1980. The potential is enormous for increased cassava production, particularly on islands other than Java.

Indonesia: Production of selected agricultural commodities

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons				Percent	
Rice	15,635	17,525	17,918	19,900	1,982	11.1	43.0
Rubber	973	1,050	1,060	1,075	15	1.4	10.2
Cassava	12,408	12,902	13,330	12,400	-930	-7.0	9.5
Coconut (copra equivalent)	1,489	1,578	1,603	1,625	22	1.4	7.5
Palm oil	443	525	600	650	50	8.3	7.1
Sugarcane	12,019	11,360	11,400	11,900	500	4.4	5.5
Coffee	198	287	288	310	22	7.6	3.7
Total							86.5

<sup>1</sup>Estimates. <sup>2</sup>Based on the price-weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Indonesia; FAS; ESS estimates.

Soybeans and peanuts are usually grown in rotation with other staple crops, especially rice. Domestic soybean production of 600,000 tons in 1980 was 11 percent below 1979 but 3 percent above the 1975-79 average. Over 90 percent of Indonesia's soybeans are consumed as food. Imports of 200,000 tons in 1980 were all from the United States. Record soybean meal imports of nearly 40,000 tons were used primarily for broiler production.

### Cotton

Indonesia's domestic cotton production has remained very low, 8,000 bales in 1979/80, despite Government plans to increase production markedly and thereby reduce the need for imports. The U.S. market share of raw cotton imports was 70 percent, or 300,000 bales, valued at a record \$135 million. Domestic cotton consumption expanded nearly 10 percent in 1980 but did not fully utilize textile industry capacity. Higher raw cotton prices in 1979/80 and reduced availabilities of certain U.S. cottons have resulted in higher synthetic fiber production.

### Major Cash Crops

Indonesia ranks second to Malaysia as a producer and exporter of rubber. Almost all production, which was 1.1 million tons in 1980, is for export. Rubber export value in 1980 may have exceeded \$1.1 billion. Indonesia's rubber industry is the third largest foreign exchange earner, after oil and timber. In 1979, rubber export value was 42 percent of the value of all agricultural exports and 6 percent of total export value. Moreover, it is the principal source of cash income for at least half a million families, mostly in Sumatra and West Kalimantan.

Coffee ranks next after rubber as Indonesia's most valuable agricultural export. In 1980, the value of coffee exports exceeded \$750 million. Of 1980/81 estimated coffee production of 310,000 tons, 65 percent will likely be exported. Smallholder coffee production has expanded rapidly the past decade, while estate production has been stagnant. More bearing trees and coffee price rises have increased production in recent years.

Palm oil, a source of soap, margarine, and cooking oils, steadily grows more important in Indonesia as it increasingly replaces coconut oil as an edible vegetable oil. For the Indonesian market, palm oil is supplied by a Government allocation system and at a controlled price far below the world market prices. Output has increased from approximately 411,000 tons in 1975 to an estimated 650,000 tons in 1980. Production is targeted at 2 million tons for 1988. In 1980, palm oil exports may have exceeded \$220 million after declining slightly to \$204 million in 1979, as more was channeled into domestic consumption.

Indonesia's 1980 copra production is estimated at 1.6 million tons. After stagnant production through the 1960's, marginal gains have been made most years during the 1970's. About one-third of the fresh nuts are processed into copra for crushing to make coconut oil, which may be used for cooking. Indonesia's traditional, almost exclusive, use of coconut oil in cooking resulted in net coconut oil imports of 92,000 tons in 1978, prompting a Government program to substitute more cheaper palm oil

for coconut oil. The program includes controls on domestic cooking oil prices and mandatory allocations. Indonesia is once again a net exporter of coconut oil and copra, with 1980 exports of 80,000 tons and 50,000 tons, respectively.

### Trade

In 1980, agricultural exports accounted for about 12.5 percent of the \$20.7 billion in total exports. Preliminary data through August indicate the value of agricultural exports for 1980 increased about 15 percent to \$2.6 billion. The increase was due primarily to price rise as volume of some major commodities declined from 1979. Coffee, palm oil, and pepper exports were higher. No export volume increases were indicated for rubber, cocoa, tea, and other spices. Rice and wheat bran exports continued to increase.

In 1980, agricultural imports totaled an estimated \$1.6 billion, 11 percent of estimated merchandise imports of \$11.7 billion. Most Indonesian agricultural product imports continue to show steady growth—especially wheat, soybeans, and cotton, all three supplied mainly by the United States. The value of 1980 U.S. agricultural exports to Indonesia was \$414 million, 28 percent above 1979. Commodity shares were: wheat and wheat flour, 34 percent; cotton, 27 percent; rice, 16 percent; and soybeans, 14 percent. Wheat and soybeans have the greatest potential for further increase.

Europe, the United States, and Japan are major Indonesian agricultural export markets. In 1980, U.S. agricultural imports from Indonesia totaled \$769 million, slightly above 1979. Major commodities imported and their share of the total were: rubber and allied gums, 56 percent; coffee, 30 percent; spices, 5 percent; and tea and coconut oil, each 3 percent. The U.S. agricultural trade deficit with Indonesia in 1980 was \$355 million.

### Outlook

Real GNP growth in 1981 will likely be 6-8 percent, depending primarily on petroleum revenues and the rice harvest. Petroleum exports seem likely to increase in 1981, resulting in a substantial increase in the overall balance of payments and in international reserves. The 1981 rice crop may not exceed 19-19.5 million tons (2-5 percent below 1980) because of late planting and increased replanting in flooded Central and East Java, which will result in reduced double cropping of rice in 1981. A rainy season longer than normal will be needed to exceed second rice crop yield levels obtained in 1980.

Increased production of secondary food crops continues to be a goal of the Government, but potential is limited because of domestic marketing difficulties, a consumer preference for rice, and a lack of high-yielding secondary food crops suited to Indonesian growing conditions. Thus, substantial imports of rice, wheat, and soybeans for human consumption, plus limited quantities of soybean meal and corn for industrial use, are considered highly likely. It seems probable that large food imports will be required for many years. (J. Albert Evans)



## JAPAN

Japan's economy grew 4.8 percent in 1980, down from the previous year's performance. Personal consumption expenditures weakened in the face of higher consumer prices and a smaller increase in real income. Labor achieved a 6.9-percent increase in wages through its traditional spring offensive, but the increase was not sufficient to offset the 7.7-percent rise in consumer prices. Increases in government-controlled prices, particularly electricity rates, damaged wholesale and consumer prices the most. Wholesale prices of coal, petroleum, and allied products increased by two-thirds, and electric power and gas were raised by 50 percent in 1980. At the consumer level, fuel prices rose 36 percent and electricity and gas prices 32 percent.

Growth in Japan's economy was sustained primarily by external demand and business investment. Corporate profits declined somewhat in 1980, but remained at a high level. A sharp boost in output came in the first quarter in anticipation of higher electricity rates. Production slowed thereafter. But corporate equipment investment remained strong as companies responded to the high cost of energy by investing in energy saving technology. High-technology enterprises such as those producing semiconductors, computers, and pharmaceuticals continued to expand capacity. In general, businesses were favored through the year by stable prices of primary products and by appreciation of the yen.

Exports surged in 1980, increasing 26.1 percent, compared with 5.6 percent in 1979. Exports of automobiles, machine tools, and electronic home appliances increased, while sales of steel fell. Imports, more than half of which were petroleum and agricultural commodities, slowed because of weak domestic demand and left the country's trade account with a slightly larger surplus.

The Government tried to contain inflation by restricting credit and delaying public works expenditures. The official discount rate, which was 6.25 percent at the beginning of 1980, was increased to 9 percent in March, lowered to 8.25 percent in August, and again reduced to 7.25 percent in November. Expectations that the rate would be further reduced delayed business responses. The budget for Japan fiscal year (JFY) 1980 (April 1980-March 1981) was termed "austere," showing a modest increase of 10.2 percent, the smallest in many years.

### Japan: Imports of principal agricultural commodities<sup>1</sup>

Commodity	1979	1980	1979	1980
	1,000 tons		Million dollars	
Coarse grains <sup>2</sup>	18,650	18,689	2,440	2,931
Raw cotton	734	719	1,249	1,340
Soybeans	4,132	4,401	1,285	1,315
Wheat	5,926	5,682	1,107	1,230
Sugar	2,605	2,266	728	1,207
Coffee beans	175	175	632	666
Beef and veal	130	122	413	436
Pork	132	108	518	406
Tobacco	78	65	347	314
Cattle hides	218	219	456	297
Citrus fruit	313	307	242	203
Bananas	790	726	198	192

<sup>1</sup>Represent approximately 55-60 percent of total value of agricultural imports.

<sup>2</sup>Corn, sorghum, barley, oats, rye and millet.

Source: Government of Japan, Ministry of Finance.

### Japan: Economic Indicators

Economic indicator	1975	1976	1977	1978	1979	1980 <sup>1</sup>
<i>Percentage change from previous year</i>						
Real GNP	1.4	6.5	5.4	6.0	5.9	<sup>2</sup> 4.8
Retail prices	11.9	9.3	8.1	3.8	3.6	<sup>3</sup> 7.6
Wholesale prices	3.0	5.0	1.9	2.5	7.3	<sup>3</sup> 17.8
Real wages and salaries	3.2	2.9	.8	2.5	2.0	<sup>3</sup> 1.8
<i>Percent</i>						
Unemployment rate	1.9	2.0	2.0	2.2	2.1	<sup>3</sup> 2.0
<i>Billions of dollars</i>						
Balance of payments, overall	-2.7	2.9	7.7	6.0	-16.7	<sup>4</sup> -8.4
Balance of trade (merchandise only)	5.0	11.0	17.3	24.6	1.8	<sup>4</sup> 2.1
Foreign Exchange reserves	12.8	16.6	22.8	33.0	20.3	<sup>4</sup> 25.2
<i>Yen per dollar</i>						
Exchange rate	297	297	271	210	219	<sup>5</sup> 227

<sup>1</sup>Preliminary estimates.

<sup>2</sup>JFY, GOJ estimates, Ag. Counselor report, JP1010, p. 3.

<sup>3</sup>EPA, GOJ, *Japanese Economic Indicator*, Dec. Issue.

<sup>4</sup>*Japan Economic Journal*, Jan. 27, 1981

<sup>5</sup>International Monetary Fund, *International Financial Statistics*, Feb. 1981.

## Agricultural Supply and Utilization

Cool weather through much of August and price factors were largely responsible for a 6.6-percent decline in Japan's 1980 agricultural production. Crop production, down 11.9 percent, was offset slightly by a 2.4-percent increase in livestock production. The ratio of prices received by farmers to prices paid deteriorated 4.3 percent, as increases in fertilizer, energy, and feed prices outpaced farm prices.

The volume of agricultural imports in 1980 was down by about 2 percent, because of weak domestic demand and an average 20-percent increase in import prices. Landed prices of sugar (up 94.2 percent), barley (up 31.2), sorghum (up 24.9), and corn (up 19.5) increased most dramatically. Prices of cattle hides (down 34 percent), oranges (down 27.4), lemons and limes (down 21.7), pork (down 2.1), soybeans (down 2), and poultry (down 0.6) were down. The total value of agricultural imports was up 6.5 percent to \$17.6 billion, with 40.2 percent supplied by the United States.

Rice continued to be central to Japan's agricultural economy in 1980, accounting for about 30 percent of gross agricultural receipts. However, rice production declined almost 19 percent in 1980, as cool weather in

August affected more than 60 percent of planted area. Area declined 4.8 percent to 2,377 million hectares as efforts continued to divert rice area to alternative crops. By fall 1980, 585,000 hectares of potential rice-producing area had been or shifted into other crops—24 percent more than in 1979 and well above the Government's 535,000-hectare target.

Japan's current rice policy has three essential components: price policy, a diversion program, and a surplus disposal scheme. The total budgetary cost was \$5.2 billion in JFY 1980, about 30 percent of the country's total agricultural budget.

The most expensive component is the price policy administered by the Food Agency and designed to control the producer and wholesale prices of food grains, mainly rice and wheat. In February 1980, the resale prices of rice and wheat were increased 3.2 and 14.1 percent, respectively. The producer price of rice was left unchanged and that of wheat was increased 2.5 percent. Such price adjustments had two effects. First, since in both cases the resale price is less than the producer price, the price changes reduced the consumer subsidy on each of the commodities. Second, since wheat and rice are dietary substitutes for one another, the more rapid increase in the wheat resale price encouraged rice con-

**Japan: Agricultural producer prices and percent change**

Commodity	Unit	1979	1980	Percent change
Rice (milled)	Yen/60 kg	17,747	18,177	2.4
Vegetables index	(1975 = 100)	131.7	149.9	13.8
Eggs	Yen/10 kg	2,507	2,809	12.0
Hogs	Yen/10 kg	3,728	3,822	2.5
Mandarins	Yen/10 kg	724	661	-8.7
Milk	Yen/10 kg	1,013	1,001	-1.1
Broilers	Yen/10 kg	2,403	2,504	4.2
Beef cattle	Yen/10 kg	11,500	11,615	1.0
Fruits and nuts index	(1975 = 100)	107.4	107.9	0.5
Potatoes for food	Yen/10 kg	495	784	58.4
Crude tea	Yen/10 kg	16,380	11,744	-28.3
Barley	Yen/10 kg	8,678	8,666	-0.1
Wheat	Yen/10 kg	10,700	11,530	7.8

Source: Japanese Ministry of Agriculture, Forestry, and Fisheries, *Monthly Statistics*, Jan. 1981.

**Japan: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
			1,000 tons			Percent	
Rlce	11,536	11,456	10,882	8,873	-2,009	-18.5	31.9
Pork	1,088	1,284	1,430	1,476	46	3.2	14.7
Vegetables	13,353	13,956	13,810	13,672	-138	-1.0	10.1
Eggs	1,842	1,965	1,990	2,000	10	.5	8.4
Milk	5,321	6,117	6,465	6,500	35	.5	7.5
Poultry	701	892	975	1,020	45	4.6	5.7
Citrus	4,022	3,637	4,093	3,710	-383	-9.4	5.2
Total							83.5

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Japan; FAS; ESS estimates.



sumption at the expense of wheat. As a result, per capita wheat consumption was slightly less than what it would have been.

The second component of the Government's policy, the diversion program, used incentives ranging from ¥400,000 (\$1,760) to ¥550,000 (\$2,420) per hectare to encourage rice farmers to produce alternative crops such as forage products, soybeans, wheat, barley, and vegetables. Double-cropping subsidies have also encouraged increased production of wheat and forage products, thus reducing the country's dependence on imports.

The surplus disposal program initiated in April 1979 earmarked 5.9 million tons of surplus rice for disposal over 5 years through exports, livestock feeding, and use in processed foods. To date, the Government has relied most heavily on the export of rice—mainly to South Korea, Indonesia, and Bangladesh—to reduce burdensome stocks. Rice exports increased from 75,000 tons in 1978 to 564,000 tons in 1979 and 653,000 tons in 1980. The subsidized nature of these exports motivated U.S. rice interests to file a complaint (subsequently withdrawn) under Section 301 of the 1974 U.S. Trade Act in early April 1980. In bilateral talks that followed, the Japanese agreed to limit rice exports during the remaining 4 years of the program to an average of 365,000 tons per year. The limit was exceeded in JFY 1980 because of emergency exceptions granted under the agreement for shipping of rice to South Korea.

Livestock production in Japan accounted for 23 percent of gross agricultural receipts in 1980. Rising input prices, particularly a 13-percent average increase in feed prices and weak consumer demand, led to a 7.6-percent decline in profitability in livestock production. Production was up only 2.4 percent, compared with 6.5 percent in 1979. Imports of all major livestock products except tallow and variety meats were off in 1980.

Pork and poultry production showed the most growth, although it was modest compared with last year. Pork output was up 3.2 percent, compared with 11.4 percent in 1979. Profits in hog production, as in other livestock enterprises, were seriously squeezed during the year, with feed prices increasing 14 percent and hog prices rising only 3.5 percent. Total hog numbers declined 1.7 percent, with sow numbers off 3 percent. Government intervention stocks that accumulated during November 1979-April 1980 were returned to the market as wholesale prices gradually strengthened through the year. Some of the adjustment was shouldered by foreign producers, as voluntary restraint and a variable levy system reduced pork imports by 18.2 percent.

Broiler meat production increased 4.6 percent, compared with 9.3 percent in 1979. The Ministry of Agriculture, Forestry, and Fisheries (MAFF) urged producers to stabilize prices through cutbacks in production. Poultry imports were down only slightly from 1979.

Egg production showed only a 0.5-percent increase, as producers tried to keep production in line with declining per capita egg consumption. A voluntary program to limit flock sizes helped stabilize egg prices through the year and prevented serious deterioration in profitability. Imports of egg products were off about 10 percent in 1980.

Expansion in cattle numbers slowed in 1980 to 2.5 percent, compared with 3.5 percent the previous year. Beef production increased 4 percent to 418,000 tons, with 68 percent coming from dairy breed animals, either fattened dairy steers or culled cows. Producer prices for fattened beef as well as feeder stock generally declined during the year, as cattle feed prices increased almost 13 percent. Imports of beef and veal in 1980 declined somewhat despite a slight increase in the import quota to 134,800 tons for JFY 1980. The Livestock Industry Promotion Corporation (LIPC) which handles most of Japan's beef imports, reduced its purchase plans and pushed back arrival times for chilled beef because of weakening demand.

Milk production, which has been excessive in recent years, was up only 0.5 percent in 1980. A Government campaign to encourage culling less productive cows has helped curb milk production but has put downward pressure on prices of lower quality beef. In addition, deficiency payments for manufactured milk have not been raised and the total quantity eligible for Government support has remained unchanged. Imports of all dairy products except compound butter (mostly 70 percent butter mixed with 30 percent vegetable fats) declined.

The slow growth in livestock production resulted in a slight decline in formula feed production to 22.8 million tons. Increases in the production of poultry rations and beef rations were offset by declines in hog and dairy rations. Imports of coarse grains, 85 percent of which are used in formula feed, increased marginally to 18.7 million tons. The U.S. share increased significantly, from 65 percent to 84 percent. The shares of all other major suppliers of coarse grain were down. Argentina, which normally supplies more than 2 million tons of sorghum, supplied only 79,000 tons as it redirected its supplies, principally to the Soviet Union. Imports of soybeans and soybean meal, both for feed use, increased 6.5 and 15.2 percent, respectively. The proportion of soybean meal used in formula feed edged up in 1980.

## Outlook

The Japanese economy is forecast to show real growth of about 4.5-5 percent in 1981. Wholesale and consumer price increases are expected to moderate. Personal consumption expenditures will recover and contribute relatively more to economic expansion. Exports will expand at a slower rate because of pressure from major trading partners and a stronger yen. Agricultural imports will expand in 1981, although there is considerable uncertainty about Japan's livestock sector. If personal consumption and expenditures expand as expected, growth in demand for livestock products should recover. Whether the increase is supplied by domestic or foreign producers will depend on profitability in Japan's livestock industry. As noted earlier, profitability deteriorated in 1980 for all major categories of livestock. An increase in feed prices in January 1981 will make recovery even harder. Imports of feedstuff will grow little. Beef and broiler production will grow modestly, and egg, pork, and milk production will increase little or none.



Japan's rice program will continue to affect agricultural trade. In April 1981, wheat and rice resale prices were increased 5.6 and 3.2 percent, respectively. Per capita consumption and import demand for wheat should be slightly less than what they would have been without the price adjustments. The diversion target for 1981 has been raised to 640,000 hectares, 9.4 percent greater than the 1980 area. On the diverted area, increased production in selected priority crops such as wheat, barley, and forage crops will improve Japan's self-sufficiency and

reduce import demand for those commodities. Japan could feed as much as 500,000 tons of rice in JFY 1981. This and large rice exports (including 490,000 tons of emergency shipments to South Korea by the end of August) will help reduce surplus stocks to about 2 million tons by year's end. Such action, however, will displace imports of corn and sorghum destined for livestock feed and will also dampen world rice prices. (William T. Coyle)

## KAMPUCHEA

Some political stability, along with massive international food aid, has helped to end Kampuchea's food emergency. No signs of starvation are reported by journalists who have traveled extensively in the country, and progressively fewer people seem to be moving toward the Thai border in search of food. An improved rice harvest has mostly ended the "land-bridge program," under which food was channeled through Thailand into Kampuchea. Some 400,000 tons of rice (235,000 tons from Western countries) were received from October 1979 through December 1980. An additional 70,000 tons of seed rice were also shipped.

### Agricultural Supply and Utilization

While the civil war severely disrupted rice cultivation in 1979, donated seed allowed Kampuchean farmers to grow a sizable rice crop in 1980. According to a Food and Agricultural Organization (FAO) report based on a tour of six agricultural provinces in October 1980, Kampuchea should have 720,000 to 820,000 tons of milled rice available for human consumption in 1981. Even so, the FAO report forecasts a food shortage of up to 220,000 tons for the coming year.

Peasants from some villages that were burned down in 1975 by the Khmer Rouge reportedly have returned and rebuilt their homes and are growing such crops as sweet potatoes and white maize.

Approximately 570,000 hectares of land are currently under cultivation in Kampuchea, only 23 percent of the land under cultivation in 1968.

During 1980, Kampuchea received food aid (rice) and medical supplies from U.N.-sponsored relief organizations such as UNICEF and from the International Red Cross. At a recent U.N. conference, \$62 million was pledged for 1981 aid to Kampuchea. Kampuchea carried on a small amount of trade, mainly with Eastern European countries.

### Outlook

Although no longer in critical condition, Kampuchea's economy remains fragile. Food is in short supply and the situation could worsen. Food assistance is still urgently needed to counter hunger and malnutrition. Ministry of Commerce officials predict that Kampuchea will continue to need between 30,000 and 36,000 tons of rice and other foodstuffs each month from external sources. This amount would provide the population with a subsistence diet of about 400 grams of staple grain per day.

Many analysts agree that hunger will become more severe during the spring after the dry season rice is consumed. Moreover, Kampuchea will likely experience a long crisis period from March until late September or early October, when the main season rice harvest commences.

The political situation in Kampuchea has made some nations reluctant to give aid that could be used for political purposes rather than for emergency relief. Such reluctance could jeopardize efforts to repair Kampuchea's war-torn economy. (Lois Caplan)

## DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (DPRK)

As in earlier years, the DPRK was an enigma in 1980. The country's press statements and some visitors' reports have described a highly successful agriculture, but tight secrecy concerning basic statistics persisted, making conclusions about rural development or about the food supply highly tentative. A fundamental problem is that only one statistic—aggregate production of "food grains"—is released each year, and this aggregate apparently includes corn, rice, wheat, soybeans, barley, potatoes, and other crops, with no breakdowns for area and production.

In the summer of 1980, DPRK's neighbors, Japan and South Korea, experienced abnormally cool, wet weather that cut rice production by 19 percent in Japan and 36 percent in South Korea. The DPRK Government characterized 1980 weather as "unprecedentedly unfavorable" but claimed that grain production in 1980 achieved the 1979 level of 9 million tons—less than the 9.5 million tons of the official target, but still a good harvest. Reports about scattered cooperative farms indicated that corn, the major grain besides rice, had done better than



rice in 1980. It is possible that increases in corn and potato yields balanced probable declines in rice, but equally likely that total grain output was less than 9 million tons.

goals are also set for fishery production, but little mention is made of livestock or meat production. Government broadcasts say food processing plants are proliferating, especially those for refrigeration, canning, and for processing corn into a rice substitute and into industrial products.

## REPUBLIC OF KOREA

### Korea, Republic of: Production of selected agricultural commodities

trend of declining HYV yields that began in 1978. The area planted to HYV rices decreased significantly in 1980; lower prices and higher risks associated with them have made farmers wary.

While South Korea's harvests pointed to reduced domestic supplies of food grains in 1981, the food system has had to satisfy unusually high rice consumption during 1978-80. The high consumption in 1980 was unexpected; the drop in personal incomes implied by the nearly 7-percent decrease in real GNP per person and the swift growth of rice prices—50 percent in 1980, as opposed to 43 percent for all foods and 27 percent for nonfoods—were expected to reduce rice consumption in favor of barley, wheat products, and other foods. The Government also intervened to curb rice consumption. Measures were taken in November 1979 to reinstate compulsory use of 80 percent rice and 20 percent barley in public eating places and encourage use of the same mixture in private households. In late 1980, the mixture was changed to 70 percent rice and 30 percent barley. Yet rice consumption remained very high in 1980, and the 1979 harvest had to be supplemented by rice imports of 760,000 tons from the United States and Japan. South Korea must reckon with continued high rice consumption in 1981. Wheat imports rose by 16 percent, to 1.9 million tons, because wheat was substituted for rice in food and in beverage processing.

The extreme weather of 1980 affected other crops, although none so severely as rice. Tobacco production fell

by 19 percent, and cabbage, garlic, and radish supplies, important to the Korean diet, were reduced. The soybean crop suffered from bad weather, but the 19-percent decrease in production is attributable more to reduced plantings, as farmers turned away from the crop for economic reasons.

South Korea's livestock sector continued to slump in 1980. In 1979, heavy imports of beef and a rapid expansion of swine numbers (together with some pork imports) led to large surpluses. Prices for all livestock fell almost continually through 1979, especially for swine. The Government ban on beef and pork imports in late 1979 helped livestock prices rise gradually through 1980, but at the same time the recession weakened consumer demand.

Livestock prices rose about 23 percent—more slowly than prices in general in 1980, and more slowly than feed costs, which rose about 30 percent because of rising world prices and the falling value of the won.

A 40-percent cutback in swine numbers during early 1980 helped strengthen all livestock prices. Swine numbers began to increase in the latter part of the year, ending only 16 percent below the 1979 level. Poultry numbers stagnated, and cattle numbers declined by 6 percent. In both cases, the sharply higher costs of feed, labor, and other inputs discouraged producers. Formula feed use fell by 10 percent to 3.5 million tons.

Egg consumption and production both rose by 11.4 percent, but beef consumption was off 23 percent, and poul-

#### U.S. exports of selected agricultural products to the Republic of Korea, annual

Calendar year	Total	Wheat	Rice	Corn	Tobacco	Cattle hides <sup>1</sup>	Soybeans	Cotton <sup>2</sup>	Tallow	Other
<i>Million dollars</i>										
1970	218.0	68.9	35.5	15.7	—	2.6	6.0	56.8	9.2	23.3
1971	299.7	81.1	70.6	24.8	—	3.2	7.2	73.7	13.2	25.9
1972	363.5	122.4	90.0	25.7	—	6.5	6.1	75.2	13.8	23.8
1973	635.1	276.7	82.1	38.6	—	18.5	19.6	111.8	26.6	61.2
1974	742.6	252.7	108.0	64.2	0.8	22.0	6.1	148.4	40.8	99.6
1975	829.7	269.2	174.8	43.7	3.0	33.3	7.3	237.3	25.4	35.7
1976	829.8	258.9	39.2	108.5	12.7	68.2	33.3	256.4	33.1	19.5
1977	919.3	201.7	11.7	119.0	21.2	90.6	44.2	315.3	37.6	78.1
1978	1,148.1	215.1	—	207.8	25.2	106.7	77.3	378.1	40.7	96.2
1979	1,440.7	257.9	44.2	318.8	32.8	117.4	116.8	398.8	54.6	99.9
1980	1,797.4	322.8	291.6	316.2	45.3	89.0	155.5	466.5	52.4	58.1
<i>1,000 tons</i>										
1970	NA	1,236	259	283	—	270	54	478	46	NA
1971	NA	1,339	439	430	—	357	58	517	68	NA
1972	NA	1,796	523	481	—	420	47	451	78	NA
1973	NA	1,992	324	379	—	912	81	692	85	NA
1974	NA	1,268	242	469	—	1,241	24	590	93	NA
1975	NA	1,590	434	354	1	2,194	35	829	75	NA
1976	NA	1,892	150	928	3	3,103	136	837	93	NA
1977	NA	1,796	56	1,173	4	3,612	167	978	90	NA
1978	NA	1,673	—	1,967	4	3,720	296	1,370	87	NA
1979	NA	1,678	151	2,742	6	2,526	422	1,321	102	NA
1980	NA	1,946	744	2,313	6	2,660	564	1,399	115	NA

— = None or negligible.

NA = Not available.

<sup>1</sup>1,000 pieces.

<sup>2</sup>1,000 running bales.

Source: Bureau of the Census, U.S. Department of Commerce.



try meat consumption remained unchanged from 1979. Pork consumption increased only 6 percent despite relatively low retail prices. Milk production rose faster than consumption, 11.7 percent versus 9.5 percent; the Government had to buy the surplus dry milk to support prices.

South Korea's total agricultural imports rose to about \$3 billion—\$1.8 billion from the United States. Cotton imports increased because of successful textile exports, with 95 percent of imports again coming from the United States. Imports of hides were 90,000 tons, held back by high hide prices and slack export demand for leather goods. Because palm oil partly replaced tallow in cooking oil, tallow imports dropped by 25 percent to 141,000 tons—110,000 from the United States.

South Korea's agricultural exports in 1980 had a value of about \$700 million. Increased barriers against canned mushrooms in the EC and the United States and against silk in Japan hindered trade. Tobacco exports were 34,000 tons, and vegetable exports 16,000 tons.

## Outlook

South Korea's chances for political stability in 1981 appear good, and the country is less isolated in its foreign relations than before. These factors may help the Government promote export growth and reduce the trade deficit, a strategy that also greatly depends on domestic wage restraint and absence of further protectionism in foreign markets. A real growth of 5-6 percent depends on a normal performance by the agricultural sector and modest growth in industrial production; both are reasonable assumptions. The Government hopes to bring wholesale price inflation down to 20-25 percent. Goals for 1982-86 are for average annual real growth of 8 percent in GNP and for a decline in wholesale price inflation to about 10 percent per year by 1983. Agricultural sector growth will strongly influence GNP growth and infla-

tion. Food prices could be reduced by allowing imports, particularly of beef, rice, and vegetables, but such imports could badly hurt the incomes of farmers, who still comprise over 25 percent of the population. However, protecting domestic agricultural production would be an added cost to industry, which must keep costs low to compete in world trade. A change in maximum farm size is widely discussed and may be implemented in 1981. This change could substantially affect crop and livestock production in the next 5 years.

Agricultural imports should increase again in 1981; imports from the United States alone will probably pass the \$2 billion mark. Domestic rice production may rebound to the target of 5.47 million tons, but barley planting was delayed by the late 1980 rice harvest and is expected to decline from normal levels. Thus, 1981 food grain production will again be insufficient to cover consumption needs, providing further impetus to food grain imports. The United States, Japan, Thailand, and other countries will furnish about 2.3 million tons of rice in 1981. Wheat imports should grow to a new record of 2.3 million tons, and barley imports may be needed. Some beef imports are possible. The Government estimates corn imports at 2.5 million tons, about 200,000 tons above the 1980 level. Soybean imports in 1981 will probably rise to about 545,000 tons, with larger imports likely in subsequent years.

South Korea's raw material imports face mixed prospects in 1981. Cotton imports are unlikely to grow because of high world prices, even though the relatively successful 1980 textile export drive will probably continue. Because of reduced U.S. supplies, South Korea may purchase a smaller amount of cotton from the United States in 1981. Imports of hides and skins should rise above the 1980 level as leather goods exports increase. Tallow imports from the United States may rise to 120,000 tons because of growing soap exports. (John H. Dyck)

## MALAYSIA

Malaysia's economy continued its strong growth in 1980 with real GNP advancing about 8 percent. The growth was paced by gains in the manufacturing, construction, and service sectors, as the expansionary Government budget more than compensated for softening demand in export markets. Per capita GNP in current prices rose 12.5 percent to \$1,659, while the rapidly developing economy pushed inflation up to 7 percent. Unemployment declined slightly to 5.3 percent. The country remains heavily reliant on exports of raw materials, on imports of processed goods and manufactures, and on foreign investment capital.

Exports reached \$12.8 billion in 1980, primarily because average export prices increased 17 percent. Export earnings were sustained by a 60-percent increase from petroleum, which thus became the main export earner with 24 percent of total receipts. Strong growth was registered in exports of manufactured goods, with 40 percent of the value from electronics items. Overall

imports increased 28 percent in 1980 to \$10.1 billion, largely reflecting a 34-percent increase in imports of intermediate goods and fuel for the expanding manufacturing and construction sectors.

Strong import growth and a slowdown in exports reduced Malaysia's balance of trade surplus 16 percent to \$2.7 billion. The 1980 balance of payments gain was \$1.1 billion. At the beginning of 1981, gold and foreign exchange reserves totaled an estimated 4.4 billion, (8.6 percent above a year earlier), equivalent to about 5-1/2 months of imports.

### Agricultural Supply and Utilization

For all major 1980 crops except rubber, relatively high prices and good weather combined to raise agricultural output 4 percent. Malaysia is the world's leading producer and exporter of natural rubber, palm oil, and pepper.

# Malaysia: Production of selected agricultural commodities

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Rubber	1,559	1,607	1,600	1,568	-32	-2.0	39.2
Palm oil	1,420	1,786	2,189	2,575	386	17.6	26.7
Rice	1,266	966	1,353	1,373	20	1.5	20.2
Palm kernels	306	368	475	550	75	15.8	3.5
Total							89.6

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Malaysia; FAS; ESS estimates.

Of total agricultural export value, rubber accounts for about 52 percent and palm oil for about 33 percent.

Malaysian rubber production of 1.57 million tons, virtually all exported, accounted for 41 percent of total world natural rubber output in 1980. The country's 2-percent output decline was caused mainly by some untapped smallholdings, labor shortages on estates, and the conversion of rubber land to other crops, particularly oil palm, during the 1970's. Still expecting an increasing world shortage of natural rubber this decade, the Government has various programs aimed at increasing production, including increased emphasis on rubber by land development agencies.

Malaysia's share of world crude palm oil production increased to 57 percent in 1980 as output surged to 2.58 million tons, up 19 percent from 1979, because an additional 59,500 hectares of oil palm reached fruit-bearing age. Oil palm cultivated area rose by 119,000 hectares to total 1.04 million hectares. Malaysia's long-term commitment to oil palm remains intact despite a renewed interest in expanding rubber production. The Government projects crude palm oil output to reach about 4 million tons in 1985.

Processed palm oil exports, 2.1 million tons and 36 percent above 1979, were mainly shipped to Singapore (32 percent), India (20 percent), Japan (7 percent), and Pakistan (7 percent). A world surplus of fats and oils weakened Malaysian palm oil prices during the latter half of 1980. The FOB price rose from \$571 per ton in January to a peak of \$619 in June, then fell to \$438 in November, and subsequently strengthened.

Malaysia produced about 1.37 million tons of rice in 1980, a slight increase over 1979, and about 85 percent of domestic needs. Heavy rains during April and May in the main northwest rice area helped save the 1980 off-season crop which was threatened by the short supply of impounded irrigation water. Total cultivated rice area increased by 3.8 percent to 789,000 hectares. Rice imports were about 170,000 tons, 29 percent less than in 1979. Major suppliers were Thailand, China, and the Philippines.

U.S. agricultural exports to Malaysia in 1980 increased 37 percent to \$88 million. Exports of tobacco (\$25.2 million), cotton (\$14.0 million), wheat and wheat flour (\$15.1 million), soybeans (\$10.8 million), and sugar (\$7.5 million) accounted for 83 percent of the total. U.S. agricultural imports from Malaysia in 1980 totaled \$350 million, 16 percent below 1979, with rubber and palm oil making up 78 percent of the total. U.S. palm oil purchases from Malaysia totaled 114,000 tons, valued at \$60 million, and rubber imports of 145,000 tons cost \$213 million. Thus, Malaysia had an agricultural trade surplus of \$262 million with the United States in 1980, down from \$350 million in 1979.

## Outlook

A real GNP growth of 7.5 percent is targeted for 1981. Inflation could exceed 7 percent, reflecting higher prices for petroleum and for some domestic consumer goods and increased salaries and wages. Imports of goods and services are expected to grow about 24 percent, down from 28 percent in 1980. Exports are expected to be only mildly expansionary, since economic weakness continues in major export markets. The export value of goods and services could increase about 12 percent in 1981, about half the average annual rate of growth since 1976. The Government estimates revenues from crude petroleum exports will increase about 15 percent, while volume will decline 3 percent. Thus, the Government's fiscal and monetary policies in 1981, as in 1980, will aim at expanding domestic productive capacity, since growth in export markets will be slow.

In 1981, agricultural production may increase 3 percent. Rubber production, about 30 percent of total agricultural output, is expected to increase by 1 percent, reversing declines each year since 1977. Palm oil production is expected to expand 10 percent and rice production 2 percent. Value added in the agricultural sector (21 percent of real GDP) may increase by 3 percent. There was virtually no increase in 1980. (J. Albert Evans)



## NEPAL

During 1980, Nepal experienced an economic downturn caused by weather that hurt most crops harvested during the year. Nepal's real GDP dropped about 1 percent, following a 4-percent growth in 1979. Nepal's industrial sector—consisting mainly of jute processing and cottage industries—grew by 5 percent, while total agricultural production declined despite a recovery in rice production late in the year. Nepal's exports dropped from \$108 million in 1979 to about \$95 million in 1980.

### Agricultural Supply and Utilization

Nepal's agricultural production decline was caused primarily by dry weather in major crop areas. Total food grain production, boosted by the late year rice harvest, increased by 1.4 percent, while cash crop production dropped almost 2 percent.

Rice is the major crop in Nepal, accounting for over 50 percent of total grain output. Rice production, aided by favorable late season rainfall, increased to an estimated 1.5 million tons in 1980, compared with 1.3 million in 1979. Rice is also the country's leading export commodity.

Production of corn, the second major crop, declined 4 percent because of drought conditions. Wheat production dropped 25 percent despite increased use of HYV'S, while production of other food grains, such as barley and millet, was virtually unchanged. Production of cash crops—sugarcane, jute, oilseeds, tobacco, and potatoes—declined slightly.

Nepal's exports dropped 12 percent to \$95 million, while imports increased 22 percent to reached \$293 million during 1980, resulting in an overall trade deficit of \$198 million—a substantial rise from the 1979 deficit. The most significant change was the drop in rice exports, reflecting a huge volume decline that more than offset the increase in prices. Heavy import of consumer goods and petroleum products accounted for much of the increase in imports.

U.S. agricultural exports to Nepal in 1980 reached \$7 million, nearly four times the 1979 level, with much of the increase due to large P.L. 480 wheat exports. Wheat exports reached \$6 million, compared with only \$132,000 in 1979. U.S. imports from Nepal were \$315,000—mostly chickpeas, raw jute, and ginger root.

### Outlook

Nepal's economic prospects for 1981 will depend primarily on agricultural performance, which has been hindered for 3 successive years by poor weather. Monsoon rains so far have been inadequate, being both irregular and light in some parts of the southern plains. If rainfall patterns improve before the end of the present growing season, production could increase from 1980 levels; however, further decline is definitely possible.

Rising import prices for petrochemicals and other major consumer goods will further aggravate Nepal's worsening foreign exchange position during 1981. Little, if any, improvement is likely in the country's trade deficit situation. (Amjad H. Gill)

## NEW ZEALAND

Agriculture was a bright spot in an otherwise lackluster economy. Farm income in 1979/80 rose substantially as the gross value of output exceeded rises in input costs. However, for the total economy, real gross domestic product is estimated to have risen only 1 percent. Retail consumer prices rose 17 percent because of food and energy-related items. Unemployment remains high by New Zealand standards—3.5 percent. A chronic deficit balance of payments continues because net invisibles (international transportation, payment for overseas borrowing, and spending by New Zealanders traveling abroad) offset a positive balance of trade.

### Agricultural Supply and Utilization

Agricultural production was up marginally in 1980 because of favorable growing conditions. Production of wool, dairy products, and apples hit record levels. Higher export prices and increased volumes caused record export earnings.

The 1980 wool clip, 356,500 tons, was 11 percent larger than the previous year. Sheep numbers as of June 30, 1980, were up 8 percent; the fleece weight also increased. Exports were valued at \$906 million, about 36 percent higher than a year earlier.

**Nepal: Production of selected agricultural commodities**

Commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change 1979 to 1980	
			1,000 tons		Percent	
Wheat	370	360	400	300	-100	-25.0
Rice	1,614	1,558	1,341	1,510	169	12.6
Coarse grains	919	906	952	920	-32	-3.4

<sup>1</sup>Estimates.

Sources: Government of Nepal; FAS; ESS estimates.

Dairy product output reached a record high because of good pasture growth throughout the year and unusually good summer rainfall. The number of dairy cows remained about the same as a year ago, while milk production per cow increased. Cheese production was up 17 percent. Butter production was de-emphasized in favor of cheese; however, butter was still about 5 percent above the previous year. Dairy product exports amounted to \$667 million, 42 percent higher than the previous year. After considerable delays caused by the French veto, an agreement on a reduced butter marketing quota was reached with the European Community.

Total red meat production was 2 percent below a year ago. Lamb production was up 10 percent, but was offset by an 8-percent reduction in beef and veal production and a 10-percent cutback in mutton. Consequently, lamb exports increased from a year ago but beef exports declined 10 percent. This happened because the lamb crop was larger and sheep inventories increased, while the beef cattle herd and the calf crop were about steady.

Cereal production during 1980 declined 7 percent, mainly because of a 9-percent reduction in area. The wheat shortfall was met with imports from Australia. However, some barley was exported to the USSR. Feed grain supplies were adequate for the livestock industry.

## Outlook

The general economy during 1981 will probably show little growth, with unemployment continuing at a high

level. Inflation will likely stay at 15 percent, as wages and prices of energy-related items increase.

Farm income this year will likely be about the same as last year. Even though the gross value of output is expected to rise, farm costs may show substantial increases. Wool and lamb production are expected to rise as the sheep industry continues to expand. Since weather is likely to be less ideal than last year, reductions in beef and milk production are probable. Wheat area is likely to expand because of rising price, while the area in feed grains may decline.

No significant agricultural policy changes are expected during 1981. Guaranteed minimum price systems for beef, sheepmeat, dairy, and wool were extended to 1981/82, with some discussions about including apples and pears. Agricultural development schemes, such as loans for livestock, will be in effect. However, in an attempt to reduce Government costs, the tobacco industry has been restructured toward a more market-oriented economy. The following steps have been scheduled: 5-year phase out of government-sponsored production and price controls beginning July 1, 1981; removal of price controls on cigarettes and tobacco on July 1, 1981; and removal of the 30-percent minimum domestic leaf requirement in manufactured products on August 31, 1981. (Allen Johnson)

## PAKISTAN

The economic upturn that started during 1978 continued unabated during 1980. Pakistan's real GDP advanced 6 percent for the third consecutive year. Growth in domestic output and exports has been rapid, and the Government has been able to maintain reasonable price stability despite regional tensions and accommodation of over 1.9 million Afghani refugees. Industrial

output, which represents about 15 percent of Pakistan's GDP, rose by 8.1 percent. Forestry and fishing continued to expand during 1980, while agricultural output remained at a high level. This is the first time since 1977 that the industrial output grew faster than services, which showed an increase of 5.7 percent.

The balance of payments situation deteriorated in 1980

**New Zealand: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Beef and veal	565	562	512	471	-41	-8.0	28.8
Milk	6,301	6,072	6,365	6,697	332	5.2	26.9
Lamb and mutton	501	502	514	535	21	4.1	17.4
Wool	309	311	321	357	36	11.2	16.5
Total							89.6

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of New Zealand; FAS; ESS estimates.



despite sharp increases in export earnings and worker remittances. Total exports amounted to \$2.4 billion and worker remittances are estimated at \$1.6 billion, but total imports increased to \$4.7 billion.

## Agricultural Supply and Utilization

The index of agricultural production (1969-71=100) rose from 113 in 1978 to 128 in 1979 and remained unchanged in 1980.

In 1980, production of wheat, the major staple food, was about 8 percent above the previous year's record 9.95 million tons. Area harvested was only slightly higher; improved yields accounted for most of the increase. Weather conditions and water supply were better than normal at the time of sowing. The widespread rains throughout the wheat-growing areas, particularly in unirrigated (rainfed) areas, helped wheat production tremendously. Area planted to wheat increased marginally to 6.9 million hectares. Production of rice, the second major export commodity, is estimated at about 3.11 million tons in 1980, down slightly from the 1979 output of 3.2 million. The production drop was due primarily to decline in area in HYV rice, particularly in Punjab, and to insect damage, which made some areas not worth harvesting. Rice area harvested declined from 2.03 million hectares in 1979 to 1.95 million in 1980.

Cotton production in 1980 is estimated at about 684,000 tons, down 8 percent from last year and well below the Government's target of 740,000 tons. The crop developed normally in the early stages with the help of good planting and cultivation practices. However, at critical blossom and boll formation, major cotton areas of Punjab and Sind were hit with untimely hot weather and dust and hail storms. Corn production dropped slightly to 870,000 tons, and barley output declined 9 percent to 118,000 tons. Chickpea (grain) production fell sharply from 538,000 tons in 1979 to 313,000 in 1980.

Pakistan's export earnings rose from \$1.7 billion in 1979 to almost \$2.4 billion in 1980. The increase resulted mainly from the sharp rise in world prices of Pakistan's

export commodities—cotton yarn, raw cotton, rice, leather, wool, and carpets. Export earnings from rice amounted to \$422 million, compared with \$341 million in 1979. Earnings from cotton and cotton products, leather, and wool rose sharply from \$789 million in 1979 to almost \$1.14 billion in 1980.

Pakistan's agricultural imports consist mainly of wheat, edible oil, and tea. In 1980, total imports increased to \$4.7 billion, up sharply from \$3.7 million.

U.S. agricultural exports to Pakistan fell from \$199 million in 1979 to \$158 million in 1980. Major U.S. exports to Pakistan were wheat, vegetable oil, tallow, nonfat dry milk, and tobacco. U.S. agricultural imports from Pakistan were reduced slightly to \$2.5 million in 1980, and were dominated by red pepper, goat kid hair, and mixed spices.

## Outlook

Pakistan's economic prospects for 1981 are fairly good if they are not unduly hurt by political unrest that started in the last week of January. The Government is forecasting growth of 7-8 percent in 1981.

Increased use of fertilizer, expansion of area planted to HYV of wheat, and higher procurement prices are expected to contribute to higher food grain production. If weather conditions remain normal during the remainder of this growing season, Pakistan is expecting to harvest around 11.3 million tons of wheat in 1981. Other crops are expected to rebound from low 1980 levels.

Despite Government efforts to become self-sufficient in agricultural production, Pakistan will continue to import wheat, edible oil, and tallow. In 1981, it will probably import around 750,000 tons of wheat and 450,000 tons of edible oil, both to build stocks and to feed 2 million Afghani refugees. The refugee population may grow to 3 million by the end of 1981. Pakistan's balance of payments situation will remain critical, but the 1981 deficit may be no larger than in 1980, particularly if expected external financial assistance materializes. (Amjad H. Gill)

**Pakistan: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Wheat	8,502	8,367	9,950	10,757	807	8.1	38.7
Rice	2,767	3,269	3,216	3,100	-116	-3.6	17.9
Cotton	496	460	740	684	-56	-8.0	15.0
Sugarcane	25,388	30,076	27,325	27,498	173	.6	13.0
Coarse grains	1,514	1,489	1,530	1,513	-17	-1.1	5.4
Cottonseed	978	920	1,480	1,368	-112	-7.6	4.3
Rapeseed	270	236	248	250	2	.8	1.8
Chickpeas	600	614	538	313	-225	-41.8	1.6
Total							97.7

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Pakistan; FAS; ESS estimates.

## PAPUA NEW GUINEA (PNG)

PNG's economic success depends upon its exports. The major ones are copper ore, cocoa, coffee, and copra. Indications are that the economy has grown moderately as exports have increased. However, the inflation rate, which was only 6 percent in 1979, increased to 12 percent during 1980. Higher prices for food and energy-related products have led to the increase. Even though petroleum exploration is in progress, the country imports all its energy requirements.

### Agricultural Supply and Utilization

Coffee production during 1979/80 is estimated at nearly 50,000 tons, a 12-percent increase over the previous year. Exports were down 2 percent as stocks were being rebuilt. West Germany is the major customer, followed by Australia and the United States.

Cocoa bean production during 1979/80 was up about 11 percent. Plantings had increased in coastal areas because of previous price increases. Most of the cocoa beans are exported, with the United States, West Germany, the Netherlands, and Australia the major outlets.

Copra production during 1980 was about 148,000 tons, 8 percent below the previous year. Apparently, growing conditions were not as excellent as the previous year. Exports were estimated at 145,000 tons. The major markets for copra are Japan and Guam.

### Outlook

The outlook for PNG is for moderate growth. This will depend upon the further commercial development of natural resources and production of tropical crops. Mineral resources, particularly copper, are abundant but in remote areas. The fishing industry is being expanded because its potential is excellent, particularly for tuna and prawn fishing. The expansion of crop production is being encouraged, and traditional slash and burn agriculture is being replaced by modern techniques. However, the traditional tribal culture will continue to deter rapid change. The rate of economic growth will depend upon world prices, since exports account for 40 percent of GDP. Recent declines in world cocoa, copra, and copper prices may slow the rate of expansion. (Allen Johnson)

## PHILIPPINES

Affected by adverse developments abroad and unfavorable weather at home, the Philippine economy managed to expand 4.7 percent in 1980. However, this is not only below the 1979 performance of 5.8 percent, but the lowest growth in the last decade. Global inflation, typhoons, oil costs, waning international trade and investment, and depressed coconut and banana markets were the major problems in 1980.

During early 1980, prices rose at an annual rate of 25 percent, but strict Central Bank monetary policies slowed price growth to about 5 percent by the year's end. Prices of food, beverages, and tobacco increased only 14.8 percent, while prices of fuel, utilities, transportation, and other services climbed 21.8 percent—becoming the primary force behind the 1980 inflation rate average of 18 percent.

Narrowing its balance of payments deficit was the country's main economic achievement in 1980. Entering the year \$570 million in arrears, the account closed in December with a \$380 million deficit. Even though export growth outpaced import growth, the trade balance improved only marginally. While 1980 export receipts totaled \$4.64 billion, a substantially larger oil import bill pushed total imports to \$6.39 billion, leaving a trade deficit of \$1.75 billion.

### Agricultural Supply and Utilization

Total agricultural output rose 1 percent during 1980. Despite losses resulting from inclement weather, rice

production advanced for the eighth consecutive year. Production rose to 4.84 million tons as the decrease in area harvested (to 3.26 million hectares) was offset by slightly higher yields. Rice exports increased to 254,000 tons, leaving 95 percent for domestic food use and 370,000 tons for poultry feed. Rice stocks at the end of 1980 were slightly lower than the previous year's level. Rice exports will continue into 1981, because the existing stock level is safely above the required 1-million-ton buffer. Surplus rice will be sent primarily to members of the Association of Southeast Asian Nations (ASEAN), but the export volume will depend on the prevailing world price. Exports have normally been made at a loss to the Government because varieties developed at the International Rice Research Institute (IRRI) do not command as high a price as other varieties on the world market. The National Food Authority (NFA) is optimistic that rice exports will become profitable by mid-1981 due to the improved world market price for rice and the growing importance of the Philippines as a world supplier.

Corn production and consequently the 1980 goal of feed grain self-sufficiency experienced a setback this year; again, because of the untimely typhoons. The Philippines imported 225,000 tons of corn to replenish a record-low stock of 115,000 tons and meet the increasing needs of the poultry industry. Nevertheless, the relatively high cost of protein feed has slowed further expansion of the poultry industry. Human consumption of corn is estimated at 2.04 million tons, or 57 percent of the total supply.

Sugar production in 1980 increased because of good



**Philippines: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons				Percent	
Rice	3,967	4,642	4,730	4,843	42	1.0	27.3
Copra	2,362	2,490	1,968	2,142	174	8.8	18.1
Sugarcane	26,287	22,487	22,500	23,483	983	4.4	13.8
Corn	2,821	3,167	3,240	3,100	-140	-4.3	9.5
Bananas	1,349	1,250	1,300	1,333	33	2.5	3.1
Total							71.8

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Philippines; FAS; ESS estimates.

growing conditions. Actual area was reduced slightly, as in 1979, but cane yield per hectare and sugar content per ton of cane rose. Of total production, 52 percent is exported, 44 percent is used domestically, and the remainder is held in reserve. The strong international sugar market caused a sharp drop in Philippine sugar stocks as larger volumes of sugar were exported. The export quota under the international sugar agreement has been suspended since early 1980, because of high sugar prices. The largest markets for sugar in 1980 were the United States, Japan, the Soviet Union, and South Korea—together accounting for 79 percent of the 1.7 million tons exported. With the exports continuing high, stocks may plummet to 213,000 tons.

Copra production rose 9 percent in 1980 and will likely continue to grow, increasing 10 percent in 1981. The production rebound from the poor 1979 harvest is attributed to favorable rainfall since mid-1979, coupled with an increase in the number of bearing trees. The area planted with coconut, as of mid-1980, is estimated at 3.05 million hectares, compared with a year ago when 2.99 million hectares were cultivated. The volume of copra exports declined 15 percent to 123,258 tons, while coconut oil exports increased to 915,030 tons, 15 percent above 1979. Income earned, however, was 10 percent below 1979, because of a depressed copra market.

The livestock industry is still partially dependent on imports to supply its feed requirements. At the rate corn production is expanding, domestic output will probably not meet demand for at least 5 years. Nor is domestic production of sorghum and soybeans expected to fill the gap during this period. Animal slaughter in 1980 was up substantially over 1979, with hog slaughter up 8 percent and cattle and goats up 2 percent. Hog slaughter in 1981 will probably increase to provide for the carabao loss arising from President Marcos' carabao slaughter ban, decreed in October 1980.

The banana industry has been afflicted by rising production costs and diminishing foreign markets. During the year, some large commercial operations sold out to other banana producers because of increased costs. Nevertheless, exports are estimated to have increased to \$106 million, significantly above the \$97 million of 1979. About two-thirds of total output is channeled into domestic consumption.

The U.S. agricultural trade deficit with the Philippines was about \$900 million in 1980. Exports to the Philippines were largely wheat and cotton, totaling \$146.7 million and \$46.2 million, respectively. With domestic cotton production increasing because of expanded area and improved yield (17,000 hectares were planted in 1980, 42 percent above 1979), raw cotton imports declined. The United States supplied 777,526 tons of wheat to the Philippines, with the remainder coming from Canada. Total wheat imports were down 9 percent, largely prompted by higher wheat prices.

## Outlook

The pressures affecting the Philippine economy in 1980 will continue during 1981. Government policy will direct attention toward a more competitive, trade-oriented economy to achieve a real GNP growth targeted at 5.8 percent. Monetary authorities will intensify efforts to improve the balance of payments, particularly by providing financial assistance to export industries.

Continued improvement in export prospects, especially for coconut products and sugar, should allow total exports to increase substantially again during 1981 and possibly reach \$5.5-5.7 billion. Sugarcane area will continue to expand in response to high world prices and increased need for sugarcane in the Philippine energy program. Imports will continue to rise, but some use of sugarcane in energy development will likely prevent the oil import bill from increasing as rapidly as it did during 1980. A further narrowing of the overall trade deficit seems probable.

For 1981, the agricultural strategy will revolve around five main areas: food self-sufficiency, better nutrition, agriculturally based energy development, export expansion, and cooperative development. Malnutrition is reported to afflict 11 million of about 48 million Filipinos, leading the Agricultural Ministry to emphasize the need for a nutrition program, including production of more maize and vegetables. (Leslie Ross)

## SINGAPORE

Singapore's impressive economic growth continued in 1980, as estimated real GDP rose about 10.2 percent, slightly above the 1979 rate of 9.3 percent. Inflation, as measured by the CPI, rose about 8.5 percent. Singapore's per capita GNP of about \$4,450 is the highest in Southeast Asia. Foreign exchange holdings on October 1, 1980, were an estimated \$6.7 billion, about 15 percent higher than a year earlier. For at least the last decade, Singapore has consistently increased its foreign exchange holdings despite recurring and substantial balance of trade deficits. These deficits were overcome mainly by attracting large foreign capital account surpluses and by achieving consistently large service account surpluses, reflecting the importance of the wide range of technical, financial, transportation, and communications services provided.

Although Singapore's economy is based primarily on entrepot trade (world's third largest port) and banking (fourth largest international banking center), manufacturing is becoming increasingly important and now accounts for about 24 percent of GDP. The petroleum industry is Singapore's largest, with the world's third largest refinery capacity. Next, in descending order, are transportation equipment and services, electrical machinery, textiles, and food industries.

To continue fast growth during the 1980's, the Government's new economic strategy encourages the development of technologically sophisticated industries. A high-wage policy is used to discourage labor-intensive production and to increase capital and skill-intensive production. Since 1970, tax incentives have been granted to many industries, with priority given to firms marketing high quality products for world-wide markets.

Because of its lack of natural resources and its high and increasing level of industrialization, Singapore depends on imports, with raw materials and semi-manufactured products accounting for about 75 percent of all retained imports. More than 70 percent of imported goods are transshipped to nearby markets such as Indonesia and Malaysia, and also to distant markets such as the Middle East, with which Singapore presently is incurring high trade deficits.

## SRI LANKA

Sri Lanka's real GNP gained 6 percent during 1980, near the increase registered in 1979 but short of the 7-percent target. However, growth was substantially in excess of the annual average of 3.2 percent between 1970 and 1979. Per capita real income growth is estimated at 4 percent for 1980. Sri Lanka's inflation rate was about 40 percent during 1980, up from the estimated 25-percent rate of a year earlier.

Sri Lanka's balance of payments deteriorated sharply in 1980. The deficit more than tripled, going from \$228 million in 1979 to \$761 million in 1980. Foreign

### Agricultural Supply and Utilization

To feed its population of 2.4 million, Singapore must import 80 percent of its food. Singapore is self-sufficient only in pork, poultry, and eggs, all produced with imported feeds.

Singapore is a major world trading center for natural rubber, palm oil, pepper, coffee, cereal crops, and other regionally produced commodities. Corn (from Thailand) for the growing livestock industry, wheat (primarily from Australia), and rice (from Thailand and China) are the major agricultural imports consumed in Singapore.

Singapore's market for U.S. agricultural products is highly competitive but diversified. Total U.S. shipments to Singapore in 1980 amounted to \$135 million. Leading items were poultry meat (\$20.3 million), sugar and tropical products (\$14.7 million), fresh citrus and other fresh fruit (\$16.2 million), vegetables and preparations (\$9.1 million), cotton (\$9.9 million), corn (\$6.1 million), soybean cake and meal (\$6.6 million), soybeans (\$5.9 million), and canned and dried fruits and fruit juices (\$8.7 million). U.S. agricultural imports from Singapore totaled \$67 million, with the major commodities transshipped being rubber (\$40.8 million) and cocoa beans and chocolates (\$12 million).

### Outlook

Singapore could experience real economic growth near 9 percent in 1981, barring a severe worldwide recession. During the 1980's the Government is striving for annual average real growth of 8-10 percent. The demand for U.S. agricultural products is almost certain to expand during the 1980's. The increasing tourist trade, the influx of businessmen and technicians, and the improving living standards are among positive elements in this prospective demand picture. (J. Albert Evans)

exchange reserves decreased by \$200 million. At the end of 1980, net foreign exchange reserves were estimated at \$78 million, equal to only 2 weeks' worth of imports.

### Agricultural Supply and Utilization

Even though Sri Lanka experienced a mild drought, total agricultural production managed to move ahead by nearly 2 percent in 1980. Production of rice, a major component of total agricultural production, rose from



### Sri Lanka: Production of selected agricultural commodities

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
		1,000 tons			Percent		
Rice	920	1,263	1,284	1,441	157	12.2	51.6
Tea	207	199	206	191	-15	-7.3	23.8
Rubber	149	156	160	156	-4	-2.5	8.4
Cassava	724	755	760	760	0	0.0	5.9
Copra	159	125	110	75	-35	-31.8	1.2
Sweet potatoes	160	165	170	170	0	0.0	1.7
Total							92.6

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Sri Lanka; FAS; ESS estimates.

1.28 million tons in 1979 to about 1.34 million in 1980. The Maha (major rice crop) was exceptionally good in 1980, because of above average rainfall at planting time, while the Yala (minor crop), which is harvested during July-September, suffered heavy losses from drought during the middle of 1980.

Tea production totaled 191,000 tons in 1980, down about 7 percent, mainly because of dry weather that prevailed during the usual rainy season.

Rubber production in 1980 is estimated at 156,000 tons, down from 160,000 tons in 1979. Despite increased tapping, lower soil moisture kept yields below the 1979 level. Drought also reduced copra output by nearly a third to 75,000 tons.

Because of slightly higher prices for tea, the value of Sri Lanka's exports advanced moderately to \$763 million in the first 9 months of 1980, compared with \$729 million during the same period of 1979. Tea export earnings during January-September 1980 rose \$11 million over the 1979 earnings of \$262 million. The United Kingdom, Pakistan, Egypt, the United States, and Middle Eastern countries are the major buyers of Sri Lanka's tea. Sri Lanka's rubber earnings fell from \$119 million in the first 9 months of 1979 to about \$112 million in the same period of 1980. The shortfall in coconut supplies caused coconut exports to drop 28 percent to \$60 million during January-September.

Sri Lanka's imports totaled \$1.55 billion in the first 9 months of 1980, compared with \$1 billion in the same period of 1979. Higher prices for petroleum, sugar, wheat flour, and fertilizer helped push the import value higher. During this period, sugar imports climbed to \$78 million, more than double the \$36 million in the same period of 1979. Wheat flour rose slightly to \$102 million, and fertilizer imports jumped more than 50 percent to \$49 million.

U.S. agricultural exports to Sri Lanka declined from \$31.6 million in 1979 to \$30 million in 1980. The major U.S. export commodity was wheat, which rose from \$21.4 million in 1979 to \$24.6 million in 1980. Other exports included cotton, soybean oil, and baby chicks.

U.S. agricultural imports from Sri Lanka fell from \$49 million in 1979 to about \$41 million in 1980, mainly because of a sharp drop in coconut oil and tea imports. Rubber imports rose slightly in 1980. Other U.S. agricultural imports from Sri Lanka included coir, cinnamon chips, and black pepper.

## Outlook

Assuming continued normal rainfall and stable export prices for tea, rubber, and coconut products, Sri Lanka will be able to sustain growth of 6-7 percent during 1981.

Preliminary indications are that 1981 will be a better year for tea, coconuts, and rubber, with each crop recovering from a low 1980 level. Increased fertilizer use on coconuts and tea in the last part of 1980, together with good rainfall in these tree crop areas during late 1980 and early 1981, suggest these crops may recover substantially.

Conditions were favorable during the September-November planting season for the Maha paddy crop, which was harvested February-April 1981. Rainfall was good, a freer market prevailed, and the rice price moved up to about Rs 70 per bushel, Rs 20 higher than the Government procurement price. If there is no insect damage or bad weather, Sri Lanka may have another bumper rice crop in 1981. (Amjad H. Gill)

## TAIWAN

Taiwan's economy continued strong in 1980, as GDP reached \$27.9 billion and real growth was 6.8 percent. Although slightly below 1979's growth of nearly 8 percent, the 1980 increase was considered satisfactory in view of rapidly rising energy costs and slow economic growth in Taiwan's major overseas markets. Exports totaled about \$20 billion, up 24 percent from 1979. The trade surplus narrowed to \$46.5 million, as imports increased by 33.5 percent during the year. Per capita income rose 22 percent in 1980. Wholesale prices moved up 21 percent, while the consumer price index rose 19 percent. The industrial production index was up more than 8 percent. Overseas investments in Taiwan rose 41 percent in 1980.

### Agricultural Supply and Utilization

Taiwan's total agricultural production declined 4 percent in 1980 after advancing nearly 5 percent in 1979. A long summer drought was primarily responsible.

Rice production in 1980 was estimated at 2.1 million tons, 5 percent below 1979 output. The first rice crop was estimated at 1.23 million tons, slightly above target, but the second rice crop suffered badly because of 4 months of drought. Higher guaranteed prices caused corn production to rise from 99,000 tons in 1979 to 131,000 tons in 1980. Production of sweet potatoes, the second largest crop in area planted, decreased from 1.22 million tons to 1.1 million tons. Cassava output declined from 226,000 tons to a little under 200,000 tons. Production of vegetables, including asparagus and mushrooms, increased slightly to 3.1 million tons. Fruit production results were mixed, with citrus production increasing about 6.5 percent, banana production rising marginally, and pineapple production declining slightly.

Meat production, which had been increasing steadily, showed a slight decline to 692,000 tons in 1980. Pork accounts for most of Taiwan's meat production. After advancing by 19 percent during 1979, pork output was

down slightly in 1980, enabling demand to catch up with pork availability. Falling exports during the second half of 1979 also contributed to downward price pressures to which producers reacted by trimming hog production. Taiwan's per capita milk consumption was up 23 percent from 1975 to 1979, while meat consumption was up 49 percent during 1975-79.

Total agricultural exports during January-November 1980 reached \$651 million, up from \$500 million during the first 11 months of 1979. Major commodities exported were sugar, canned asparagus, canned mushrooms, frozen pork, tea, bananas, and vegetables. Sugar, the leading export, rose sharply from \$76 million in January-November 1979 to \$175 million in the same period of 1980. Gains in other commodities during the period were not as substantial but were still impressive. Canned asparagus climbed 23 percent to \$127 million; canned mushrooms rose 19 percent to \$105 million; and frozen pork, vegetables, tea, and bananas advanced to \$49 million, \$29 million, \$26 million, and \$25.7 million, respectively.

Taiwan's major agricultural imports during January-November rose slightly to \$1.16 billion. The major import commodities continue to be corn, cotton, soybeans, and wheat. Through November, corn imports were valued at \$396.4 million, up 17 percent because of higher prices. Soybean imports declined from \$294 million to \$258 million, as volume dropped significantly; the fall was primarily caused by overstocks during the last part of 1979. Wheat imports increased from \$110.5 million to \$133 million, as per capita wheat needs continued to rise. Cotton imports jumped 46 percent to \$375 million, with higher prices accounting for most of the increase. In early 1980, Taiwan lifted its longstanding ban on trade with Communist countries, importing 56,000 bales of cotton from the USSR.

Taiwan is the third leading market in non-Communist Asia for U.S. agricultural commodities. During 1980, agricultural imports from the United States reached a record \$1.10 billion, slightly above the 1979 level. Taiwan

**Taiwan: Production of selected agricultural commodities**

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total production <sup>2</sup>
		1,000 tons				Percent	
Pork	497	580	690	670	-20	-2.9	25.9
Rice	2,429	2,273	2,205	2,093	-112	-5.1	22.8
Vegetables	2,420	2,814	3,030	3,100	70	2.3	11.9
Poultry	137	185	210	210	0	0	10.8
Sugarcane	9,151	7,941	9,121	8,760	379	-4.0	6.2
Eggs	96	130	135	140	5	3.7	4.9
Citrus	367	374	399	425	26	6.5	4.3
Sweet potatoes	1,983	1,463	1,225	1,100	-125	-10.3	2.4
Total							89.2

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Taiwan; FAS; ESS estimates.



is a major importer of U.S. corn, wheat, soybeans, and cotton. However, U.S. soybean exports fell 15 percent because Taiwan reduced soybean stocks. Corn exports declined slightly. The value of wheat exports rose about 4 percent and cotton exports gained \$67 million to reach a record \$203 million, primarily because of higher prices.

U.S. agricultural imports from Taiwan increased \$28 million over 1979's \$127 million. The increase came mainly from canned mushrooms, vegetables, and pineapple. The value of mushroom imports was \$11.5 million higher than the previous year's \$655 million. Canned vegetable imports reached about \$24 million, \$5 million over 1979. U.S. imports of canned pineapple nearly doubled, going to \$9.3 million. Other major agricultural imports from Taiwan were oranges, spices, tea, and monosodium glutamate.

## Outlook

Taiwan's economy will likely be strong again in 1981. The Government has forecast that economic growth will be between 7.5 and 8 percent, but agricultural sector growth will probably not be higher than 2-3 percent.

Taiwan will likely import more farm commodities from the United States during 1981. In an effort to increase its purchase of U.S. wheat, corn, soybeans, cotton, barley, tallow, hogs, and almonds, Taiwan sent its sixth buying mission to the United States in late March 1981. In addition, Taiwan is expanding its dairy industry and may buy more U.S. dairy cattle during 1981.

Taiwan's agricultural imports during 1981 will probably include about 3 million tons of corn, 1 million tons of soybeans, 700,000 tons of wheat, 150,000 tons of barley, 400 head of hogs, 50,000 tons of tallow, and 250,000 tons of cotton. (Amjad H. Gill)

## THAILAND

The Thai economy in 1980 continued real growth, but rising trade deficits, foreign debts, and domestic inflation—problems that have plagued the country since 1976—also continued. Real GNP growth of 5.5 percent slightly surpassed the 1979 rate. Inflation doubled, to 20 percent on the CPI. The world oil price increases of 1979 and 1980 were only partly passed to consumers, but still helped lead inflation and widen the trade deficit to \$2.9 billion from \$1.9 billion in 1979. The strong performance of the agricultural sector (which contributed about 23 percent of GNP) allowed exports of most farm products to equal or exceed 1979 levels, while world market price increases for rice and corn significantly raised total export value. The surplus in agricultural trade was about \$3.5 billion, with exports of farm and fishery products constituting 61 percent of the value of Thailand's exports.

The government of Kriangsak Chomanan fell in March 1980, chiefly because of its attempts to raise utility prices to cover higher oil costs. General Prem Tinsulanonda, like his predecessor, pledged to increase state efforts to aid agricultural production and rural incomes. The Prem Government has experienced the same political problems in adjusting domestic oil prices to world levels as the Kriangsak government had.

Thailand had problems with domestic insurgents in 1980, and border troubles arose with Laos, but the humanitarian and military problems on the Kampuchean border posed the greatest challenges. All during the year, refugees from political or economic upheavals moved into Thailand, camped on the border, or formed temporary villages in the thin strip of Kampuchea that was controlled by the Government of Democratic Kampuchea recognized by Thailand. Moving through these refugee concentrations were peasants and traders from much of Kampuchea who came to buy foodstuffs in Thai border towns or to receive donated food from international organizations at distribution centers near the border. Perhaps 350,000 tons of rice went from Thai supplies to meet these special, war-related food needs.

## Agricultural Supply and Utilization

Thailand's agriculture experienced an excellent year in 1980, with total production advancing 8 percent. The monsoon arrived on schedule and rains continued through October, normally the last month of the wet season. In most of the country, rainfall was distributed evenly enough through the rainy season so that crops were not stressed—an exceptionally favorable course of events. Flood damage in low areas was more than balanced by unusually good production in upland fields. Because fertilizer prices were high and farm incomes were reduced by the dry conditions in 1979/80, fertilizer use in 1980 declined from the low levels of 1979.

Although 1980 will be remembered for its good rains, it became evident during the year that Thai rice production has significantly benefited from expanded irrigation in the 1970's. The early end of the 1979 monsoon had left the 1979/80 main rice crop (harvested December-January) under stress. Despite low reservoir levels, the country's relatively new irrigation system was able to provide supplementary moisture and raise main crop production to 9.6 million tons, a surprising harvest for a drought. Although reservoirs also were drawn down to generate electricity, there was enough irrigation water left to grow 730,000 tons in the second, dry-season rice crop, so that total 1979/80 rice production was 10.3 million tons. Together with stock reductions, this production allowed exports of 2.7 million tons in 1980 (the same as 1979), and continued high domestic consumption, estimated by various sources at 140 to 160 kilograms per person per year. Abundant rains from the 1980 monsoon led to a record 10.6-million-ton harvest from the 1980/81 main crop. The bumper harvest, coupled with likelihood of a large second crop, threatened Thai and world rice prices, and the Government intervened with new measures that kept rice prices rising at the end of 1980; among the most important changes were more effective producer price support mechanisms and the creation of new buffer stocks by private exporters.



# Thailand: Production of selected agricultural commodities

commodity	1975-77 average	1978	1979	1980 <sup>1</sup>	Change, 1979 to 1980		Share of total pro- duction <sup>2</sup>
			1,000 tons			Percent	
Rice	9,721	11,570	10,362	11,880	1,518	14.6	45.2
Cassava	10,203	15,048	11,125	13,500	2,375	21.3	19.5
Rubber	375	467	547	510	-37	-6.8	9.0
Corn	2,616	3,050	3,300	3,200	-100	-3.0	7.6
Sugarcane	19,466	18,941	20,200	12,600	-7,600	-37.6	4.1
Tobacco	67	83	83	86	3	3.6	4.0
Total							89.4

<sup>1</sup>Estimates. <sup>2</sup>Based on the price weighted share of the total value of agricultural production as shown in *Indices of Agricultural Production* and using 1969-71 average producer prices.

Sources: Government of Thailand; FAS; ESS estimates.

The 1980 corn crop dropped by 100,000-150,000 tons from the record 1979 crop because the severe shortage of ground moisture in the dry season prevented some of the early plantings designed to avoid downy mildew disease. Price disagreements again prevented shipments to Japan, formerly a leading market. However Taiwan implemented a large agreement to import Thai corn, and high demand by the USSR and other countries led to exports of 2 million tons. Domestic demand by the rapidly changing livestock industry also grew in 1980, with consumption approaching 1 million tons. Export prices rose to \$200 per ton by December.

The livestock industry remained unsettled in 1980. Consumer demand for all livestock products and fish was strong, but supply responses varied by type of animal. The fish catch decreased, partly because of higher fuel costs. Cattle and buffalo, traditionally used as draft animals, are being replaced by machines in the central region of the country, and raising these animals exclusively for meat is still not a well organized industry. Numbers remained at about 6.3 million cattle and 5.2 million buffalo, and bovine meat production stayed at about 209,000 tons despite rising prices. The poultry and swine industries both grew in 1980. With broiler and egg production already coming largely from modern, integrated operations, pork production has increasingly followed suit. Perhaps half of the 300,000 tons of pork produced in 1980 came from large operations. Poultry meat production of 400,000 tons allowed exports of about 19,000 tons, almost all to Japan. Egg production also increased. Dairy output still meets no more than 10 percent of Thailand's growing milk requirements.

Increased feed costs hurt swine and poultry operations, especially small ones. Prices of all feedstuffs rose, but those of fish meal and corn rose most sharply. Government price controls on mixed feeds led some feedmillers to lower the quality of their mixes. About 1.8 million tons of mixed feed was produced in 1980, going 60 percent to poultry and 30 percent to swine.

Cassava output rose to over 13 million tons in 1980, as the increased plantings of late 1978 and 1979 became ready to market. This allowed tapioca exports to grow to 5 million tons. The USSR emerged as a major force in

the market, but most shipments still went to the EC. Thailand and the EC agreed to restrict 1981 and 1982 exports to the EC to 5 million tons per year, and 1983 and 1984 shipments to 4.5 million tons per year, with some upward leeway permitted. Significant problems with adulteration of tapioca pellets and with dust pollution in loading and unloading improved in 1980.

Raw sugar production in 1979/80 was a low 1.08 million tons. Low, government-set retail sugar prices at a time of extremely high world prices caused sugar to disappear from the domestic market. Normally a large exporter, Thailand was obliged to import some sugar in 1980 to stabilize the domestic situation. The country had net exports of only 357,000 tons for the year.

The replanting of groves with higher quality stock has boosted rubber yields, but insurgency during 1980 interfered with tapping and curtailed output. Cotton production increased sharply, to a record level, as good weather raised yields on a larger planted area. The large production reduced the need to import despite the textile industry's expanded output. The improved organization of the tobacco industry, which provides for contract growing of higher quality varieties, supported tobacco leaf exports and reduced the need to import.

## Outlook

The economy is expected to show some real growth in 1981, despite continued high inflation. The long-awaited flow of natural gas from Thai wells should begin in September, and will eventually reduce fuel imports.

Demand for meats and fish, wheat products, vegetables, vegetable oils, fruits, and beverages is likely to grow faster than the 2.2-percent population growth rate, although supply constraints for fish and beef could keep per capita consumption of those products from rising. Both foreign and domestic demand for feed corn and sorghum will rise, but the increasing competition for these feedstuffs may be alleviated by higher yields resulting from better seeds. Rice production of 1.3 million tons or more is possible in the first half of 1981; this size production would bring 1980/81 output to 11.9 mil-



lion tons or more, and support 1981 exports of at least 2.8 million tons, the Government target. Thailand may be forced to find other markets in 1981 for tapioca in excess of the 5 million tons that the EC will take. Good weather in 1980 should allow exports of over 500,000 tons of raw sugar in 1981; producer, mill, and retail prices have all been raised sharply by the Government so

that the market will be more stable. While some further expansion of the irrigated area is planned for 1981, significant growth in fertilizer use, which could dramatically increase Thailand's harvest of most crops, appears unlikely. Expansion of crop activity into forest land may be slowing. (John H. Dyck)

## THE SOCIALIST REPUBLIC OF VIETNAM

Vietnam's second 5-year plan ended in 1980. Few of the goals set in 1976 were achieved. Problems included adverse weather, lack of effective policies to expand the economy, and diversion of scarce resources to military activities in Kampuchea, Laos, and Thailand, and along the PRC-Vietnamese border. The slowdown in aid from the West and the Soviets' inability to make up the difference hampered the industrial sector's capacity to provide basic agricultural inputs. Investment expenditures slowed and shortages of spare parts, fuel, and transport services were evident. The country's real GDP fell by 4 percent in 1980 because industrial output declined and agricultural production stagnated.

The 1980 food grain production goal set in 1976 was about 14.5 million tons. Fragmentary information indicates that total food grain production in 1980 was probably only 9.5 to 10 million tons, about the same as in 1979. Area under food grain cultivation reached about 7 million hectares, representing a 10-percent expansion over 1976, but well below the 20 percent the Government had hoped to realize. Milled rice production is currently estimated at 7.2 million tons, 3 percent above last year's crop. Good weather and adjustments in price policies led to a better harvest in the Me Kong Delta area. Yields in northern and central regions, however, were adversely affected by typhoons and flooding, poor management, and shortages of fuel and fertilizer. Little of the surplus in the South was delivered to deficit areas in the North because of lack of storage and transportation. Expansion in livestock production has been minimal since 1976 because of inadequate grain production. The main emphasis has been on expanding water buffalo numbers for draft purposes and milk production.

Despite what appeared to be a slightly better year for agriculture, the availability of food continued to be a critical problem. Government procurement of domestic food grain increased substantially in 1980 but imports were off, leaving less grain to distribute than in 1979. Basic foodstuffs such as rice, sugar, milk, and meat were rationed. Food riots and peasant unrest were reported toward the end of the year in some northern provinces. Vietnam's rate of population growth exceeded 2 percent and put increasing pressure on an agriculture that has remained relatively stagnant over the last 5 years. Food shortages were most critical in urban areas.

### Outlook

One of the most important tasks of the next 5-year plan will be to concentrate the country's limited resources on key agricultural projects to move toward food grain self-sufficiency. To date, disproportionate resources have been diverted to military activity, straining all sectors of the economy. Some analysts believe that if massive investments were made in irrigation, drainage, and fertilizer production, coupled with changes in agricultural policy, Vietnam could achieve self-sufficiency. The Government has raised procurement prices in an effort to provide farmers with more incentive to expand production. But the country's chronic trade deficit, limited foreign reserves, and increased political isolation from the West suggest continued difficulty in acquiring grain and important yield-enhancing agricultural inputs such as fertilizer. (William T. Coyle)

Table 4--Population of selected countries in Asia and Oceania,  
average 1975-77 and annual 1978-80

Country	1975-77	1978	1979	1980	Percent change, 1979 to 1980
	<u>Million</u>				<u>Percent</u>
<b>SOUTH ASIA</b>					
Afghanistan	19.6	20.5	21.0	21.5	2.4
Bangladesh	81.1	85.6	88.1	90.7	3.0
India	621.5	646.0	658.4	671.3	2.0
Nepal	12.9	13.5	13.8	14.2	2.9
Pakistan	72.4	76.8	79.1	81.3	2.8
Sri Lanka	13.7	14.1	14.4	14.7	2.1
Total	821.2	856.5	874.8	893.7	2.2
<b>EAST ASIA</b>					
Burma	30.9	32.5	33.2	34.1	2.7
Hong Kong	4.4	4.6	4.9	5.0	2.1
Indonesia	134.8	140.9	144.1	147.1	2.3
Japan	112.7	114.9	115.9	116.9	.9
Korea, Republic of	35.3	36.4	36.9	37.5	1.6
Malaysia	12.7	12.9	13.2	13.6	3.0
Philippines	44.2	46.5	47.7	48.9	2.5
Singapore	2.3	2.3	2.4	2.4	0
Taiwan	16.4	17.0	17.4	17.7	1.7
Thailand	42.9	44.8	45.7	46.7	2.2
Total	436.6	452.8	461.4	469.9	2.1
<b>SOUTH AND EAST ASIA</b>	1,256.8	1,309.3	1,336.2	1,363.6	2.2
<b>OCEANIA</b>					
Australia	13.8	14.2	14.4	14.6	1.4
New Zealand	3.1	3.2	3.2	3.2	0
Total	16.9	17.4	17.6	17.8	1.1

Sources: U.S. Bureau of Census, Department of Commerce and ESS estimates.



Table 5--Gold and foreign exchange holdings of selected countries in Asia and Oceania,  
average 1975-77 and annual 1978-80

Country	1975-77	1978	1979	1980	Change, 1979 to 1980
<u>Million dollars</u>					
<b>SOUTH ASIA</b>					
Afghanistan	204	431	441	650	209
Bangladesh	224	316	402	324	-78
India	3,180	7,249	7,478	6,854	-619
Nepal	128	154	170	196	26
Pakistan	486	740	941	1,684	743
Sri Lanka	147	400	520	416	-104
Total	4,369	9,290	9,952	10,129	177
<b>EAST ASIA</b>					
Burma	127	107	215	272	57
Hong Kong	11	20	35	50	15
Indonesia	1,534	2,663	4,167	7,300	3,133
Japan	17,422	33,019	20,327	25,232	4,905
Korea, Republic of	2,939	4,937	5,708	6,560	852
Malaysia	2,285	3,329	4,013	4,400	387
Philippines	1,509	1,881	2,416	3,140	724
Singapore	3,409	5,303	5,819	6,700	882
Taiwan	2,763	5,699	5,625	5,630	5
Thailand	1,358	1,294	1,749	2,154	405
Total	33,357	58,252	50,074	61,438	11,364
<b>SOUTH AND EAST ASIA</b>	37,726	67,542	60,026	71,567	11,541
<b>OCEANIA</b>					
Australia	3,236	3,681	5,100	6,412	1,312
New Zealand	455	454	453	353	-100
Total	3,691	4,135	5,553	6,765	1,212

Sources: International Financial Statistics; various country sources; ESS estimates.

Table 6--Consumer price changes of selected countries in Asia and Oceania,  
average 1975-77 and annual 1978-80

Country	1975-77	1978	1979	1980
<u>Annual percent change</u>				
<b>SOUTH ASIA</b>				
Afghanistan	NA	NA	NA	NA
Bangladesh	8.7	13.1	12.7	13.2
India	0.8	2.2	8.8	10.6
Nepal	6.8	6.4	6.2	23.5
Pakistan	14.2	6.7	9.5	11.7
Sri Lanka	3.1	12.1	10.7	26.0
Total	6.7	8.1	9.6	17.0
<b>EAST ASIA</b>				
Burma	17.6	-6.0	5.6	3.3
Hong Kong	5.0	8.5	14.8	15.0
Indonesia	16.6	7.8	21.9	18.5
Japan	8.7	3.8	3.6	8.0
Korea, Republic of	19.7	14.4	18.3	35.0
Malaysia	4.0	4.9	3.6	7.0
Philippines	8.0	7.6	18.8	17.8
Singapore	1.3	4.7	4.1	8.5
Taiwan	5.0	5.8	9.8	14.0
Thailand	5.7	7.9	9.9	19.7
Total	9.2	5.9	11.0	14.7
<b>SOUTH AND EAST ASIA</b>	7.9	7.0	10.3	15.8
<b>OCEANIA</b>				
Australia	15.6	7.9	9.1	10.2
New Zealand	17.8	11.9	13.8	17.1
Total	16.7	9.9	11.4	13.7

NA = Not available.

Sources: International Financial Statistics; ESS estimates.





Table 8--Total exports and imports of selected countries in Asia and Oceania, average 1975-77 and annual 1978-80

Country	Total exports			Total imports			Trade balance			: Change, : 1979 to : 1980
	: 1975-77	: 1978	: 1979	: 1975-77	: 1978	: 1979	: 1975-77	: 1978	: 1979	: 1980
Billion dollars										
SOUTH ASIA										
Afghanistan	.3	.3	.5	NA	.3	.6	--	--	-.1	NA
Bangladesh	3.9	4.8	6.7	8.0	1.2	1.9	2.7	2.2	4.8	5.4
India	5.6	7.0	8.0	9.0	6.5	10.6	-9	-1.5	-2.8	-5.0
Nepal	.1	.1	.1	.1	.2	.2	--	-.1	-.1	-.2
Pakistan	1.1	1.5	2.4	2.6	2.3	4.1	-1.2	-1.8	-2.0	-1.9
Sri Lanka	.6	.9	1.0	1.1	.7	1.5	-.1	-.1	-.5	-.4
Total	11.6	14.6	18.7	20.8	11.1	18.9	.5	-1.3	-.6	-2.1
EAST ASIA										
Burma	.2	.3	.4	.5	.3	.7	-.1	-.2	-.3	-.3
Hong Kong	7.8	6.0	8.3	9.0	8.5	8.9	-.7	-.9	-.6	-.7
Indonesia	8.8	11.6	15.6	20.7	5.6	7.2	3.2	4.9	8.4	9.0
Japan	67.8	97.5	103.0	129.9	56.7	101.2	11.1	24.6	1.8	2.1
Korea, Republic of	7.6	12.7	15.1	17.5	9.0	20.3	-1.4	-2.3	-5.2	-4.7
Malaysia	5.1	7.4	11.1	12.8	4.0	7.9	1.1	1.5	3.2	2.7
Philippines	2.6	3.3	4.5	4.6	5.1	6.6	-1.4	-1.8	-2.1	-1.8
Singapore	6.7	10.1	14.2	19.4	9.2	17.6	-2.5	-3.0	-3.4	-4.8
Taiwan	7.6	12.7	16.1	19.8	7.4	14.8	.2	1.7	1.3	.1
Thailand	2.9	4.1	5.3	6.5	3.8	7.2	-.9	-1.2	-1.9	-1.1
Total	117.1	165.7	193.6	240.7	108.5	192.4	8.6	23.3	1.2	-2.6
SOUTH AND EAST ASIA										
	128.7	180.3	212.3	261.5	119.6	211.3	9.1	22.0	.6	-3.5
OCEANIA										
Australia	12.8	14.4	18.7	22.1	11.1	16.5	1.7	.3	2.2	1.9
New Zealand	2.7	3.7	4.7	5.5	3.0	4.3	-.3	.5	.4	-.4
Total	15.5	18.1	23.4	27.6	14.1	20.8	1.4	.8	2.6	2.3

NA = Not available.

-- = None or negligible.

Sources: International Financial Statistics; various country sources; ESS estimates.

Table 9--Agricultural exports and imports of selected countries in Asia and Oceania, average 1975-77 and annual 1978-80

Country	Exports					Imports				
	1975-77	1978	1979	1980	Change : 1979 to : 1980	1975-77	1978	1979	1980	Change, : 1979 to : 1980
SOUTH ASIA										
Afghanistan	193	198	213	NA	NA	86	98	113	NA	NA
Bangladesh	375	451	633	760	127	501	673	414	417	3
India	1,805	1,774	2,131	2,286	155	1,620	1,186	1,268	1,489	22
Nepal	74	63	68	57	-11	31	35	40	44	4
Pakistan	428	481	554	850	296	461	552	918	900	-18
Sri Lanka	512	668	675	864	189	294	278	311	400	89
Total	3,387	3,635	4,274	4,817	543	2,993	2,822	3,064	3,250	186
EAST ASIA										
Burma	159	219	291	400	109	8	15	22	23	1
Hong Kong	--	--	--	--	--	1,932	2,400	3,000	3,500	500
Indonesia	1,189	1,696	1,970	2,600	630	925	1,275	1,293	1,600	307
Japan	439	645	834	881	47	11,807	13,464	16,424	17,670	1,246
Korea, Rep. of	381	550	503	700	197	1,444	2,016	2,755	2,990	245
Malaysia	2,046	2,757	3,681	4,100	419	725	1,011	1,032	1,200	168
Philippines	1,357	1,443	1,636	1,650	14	358	383	446	500	54
Singapore	642	989	1,297	1,500	203	1,020	1,317	1,699	2,200	501
Taiwan	1,018	1,382	1,535	1,700	165	1,218	1,743	2,461	2,750	289
Thailand	1,907	2,551	3,263	4,000	737	287	342	449	510	61
Total	9,138	12,223	15,010	17,531	2,521	19,724	23,966	29,581	32,943	3,372
SOUTH AND EAST ASIA										
SOUTH AND EAST ASIA	12,525	15,858	19,284	22,348	3,064	22,717	26,788	32,645	36,193	3,558
OCEANIA										
Australia	5,521	5,767	6,807	8,280	1,473	599	787	806	880	74
New Zealand	1,870	2,209	2,898	3,360	462	248	257	261	310	49
Total	7,391	7,976	9,705	11,640	1,935	847	1,044	1,067	1,190	123

NA = Not available.

-- = None or negligible.

Sources: Foreign Agricultural Organization (FAO), United Nations; Foreign Agricultural Service, USDA; various country sources; ESS estimates.



Table 10--Fertilizer consumption in nutrient equivalent, average 1975-77 and annual 1978-80

Country	N					P <sub>2</sub> O <sub>5</sub>				
					% Change,					% Change,
	1975-77	1978	1979	1980	1979 to 1980	1975-77	1978	1979	1980	1979 to 1980
	:	:	:	:	:	:	:	:	:	:
-----Thousand tons----- Percent -----Thousand tons----- Percent										
SOUTH ASIA										
Afghanistan	28	37	54	33	-38.9	11	17	20	16	-20.0
Bangladesh	132	223	223	270	21.1	50	91	99	130	31.3
India	2,506	3,420	3,499	3,742	6.9	656	1,106	1,150	1,172	1.9
Nepal	9	11	14	17	21.4	3	4	7	8	14.3
Pakistan	439	554	684	829	21.2	96	157	188	289	53.7
Sri Lanka	55	66	79	90	13.9	19	23	25	28	12.0
Total	3,169	4,311	4,553	4,981	9.4	835	1,398	1,489	1,643	10.3
EAST ASIA										
Burma	41	50	68	98	44.1	7	10	14	15	7.1
Hong Kong	1	1	1	1	--	--	--	--	--	--
Indonesia	347	526	605	871	44.0	118	122	130	139	6.9
Japan	682	716	723	755	4.4	684	747	713	758	6.3
Korea, Republic of	410	461	444	420	-5.4	198	231	226	230	1.8
Malaysia	77	95	150	160	6.7	60	82	93	102	9.7
Philippines	166	174	205	237	15.6	41	40	50	53	6.0
Singapore	1	1	1	1	--	1	1	1	1	--
Taiwan	214	218	213	226	6.1	70	73	73	75	2.7
Thailand	82	145	150	140	-6.7	80	120	134	120	-10.4
Total	1,921	2,387	2,560	2,909	13.6	1,259	1,426	1,434	1,493	4.1
SOUTH AND EAST ASIA										
	5,090	6,698	7,113	7,890	10.9	2,094	2,824	2,923	3,136	7.3
OCEANIA										
Australia	184	220	208	250	20.2	617	792	770	850	10.4
New Zealand	16	20	20	20	--	352	398	521	532	2.1
Total	200	240	228	270	18.4	969	1,190	1,291	1,382	7.0

Country	K <sub>2</sub> O					Total					
	:	:	:	:	:	:	:	:	:	:	
	1975-77	1978	1979	1980	% Change, 1979 to 1980	1975-77	1978	1979	1980	% Change, 1979 to 1980	
	:	:	:	:	:	:	:	:	:	:	
	-----Thousand tons-----				Percent	-----Thousand tons-----				Percent	
SOUTH ASIA	:	:	:	:	:	:	:	:	:	:	
Afghanistan	:	--	--	--	--	30	54	74	49	-33.8	
Bangladesh	:	13	25	46	38	-17.4	229	339	368	438	19.0
India	:	368	592	606	636	5.0	3,536	5,118	5,255	5,550	5.6
Nepal	:	1	1	2	2	--	14	16	23	27	17.4
Pakistan	:	2	6	8	10	25.0	592	717	882	1,128	27.9
Sri Lanka	:	27	25	30	33	10.0	82	114	134	151	12.7
Total	:	411	563	673	719	6.8	4,100	5,526	6,609	7,343	11.1
EAST ASIA	:	:	:	:	:	:	:	:	:	:	
Burma	:	2	2	3	4	33.3	50	62	85	117	37.6
Hong Kong	:	--	--	--	--	--	1	1	1	1	--
Indonesia	:	40	61	70	75	7.1	505	709	805	1,085	34.8
Japan	:	661	661	724	695	-4.0	1,944	2,124	2,221	2,208	-6
Korea, Republic of	:	147	174	191	200	4.7	755	866	861	850	-1.3
Malaysia	:	140	168	176	200	13.6	277	345	419	462	10.3
Philippines	:	93	46	57	65	--	248	260	312	355	13.8
Singapore	:	1	1	1	1	--	3	3	3	3	--
Taiwan	:	76	88	84	94	11.9	360	379	370	395	6.8
Thailand	:	12	33	33	30	-9.1	174	298	317	290	-8.5
Total	:	1,172	1,234	1,339	1,364	1.9	4,317	5,047	5,394	5,766	6.9
SOUTH AND EAST ASIA	:	1,583	1,797	2,012	2,083	3.5	8,417	10,573	12,003	13,109	9.2
OCEANIA	:	:	:	:	:	:	:	:	:	:	
Australia	:	89	91	102	110	7.8	890	1,095	1,080	1,210	12.0
New Zealand	:	133	140	143	144	1.0	501	558	684	730	6.7
Total	:	222	231	245	254	3.7	1,391	1,653	1,763	1,940	10.0

-- = None or negligible.

Table 11--U.S. agricultural exports to and imports from Asia and Oceania, annual 1978-80

Country	Exports				Change, 1979 to 1980	Imports				Change, 1979 to 1980	
	1978	1979	1980			1978	1979	1980			
	-----Million dollars-----					-----Million dollars-----					
					Percent					Percent	
	-----						-----				
World	29,384.1	34,745.4	41,255.9	6,510.5	18.7	14,804.1	16,725.1	17,366.1	641.0	3.8	
Asia and Oceania	8,432.8	9,849.0	11,507.1	1,658.1	16.8	3,331.4	4,287.9	4,278.4	-9.5	-2	
Asia	8,281.8	9,671.8	11,318.1	1,646.3	17.0	2,095.0	2,507.8	2,482.3	-25.5	-1.0	
Afghanistan	4.8	3.2	--	-3.2	-100.0	8.3	10.0	2.6	-7.4	-74.0	
Bangladesh	106.7	144.5	221.3	76.8	53.2	5.9	4.0	2.9	-1.1	-27.5	
Burma	--	.8	.1	-7	-87.5	--	--	--	--	--	
Hong Kong	359.4	361.3	436.6	75.3	20.8	25.0	31.0	42.4	11.4	36.8	
India	281.7	260.9	317.5	56.6	21.7	150.4	189.0	166.9	-22.1	-11.7	
Indonesia	317.0	322.4	414.1	91.7	28.4	596.8	751.8	769.0	17.2	2.3	
Japan	4,435.3	5,255.3	6,110.7	855.4	16.3	92.4	89.1	99.0	9.9	11.1	
Kampuchea	--	--	25.8	25.8	NA	--	--	--	--	--	
Korea, Republic of:	1,148.1	1,440.8	1,797.4	356.6	24.8	60.0	74.2	47.7	-25.6	-35.7	
Laos	1.3	.9	.1	-.8	-88.9	--	--	--	--	--	
Macao	--	--	--	--	--	--	.6	2.1	1.5	250.0	
Malaysia	63.0	64.0	87.6	23.6	36.9	322.8	414.2	349.6	-64.6	-15.6	
Nepal	1.5	1.8	7.3	5.5	305.6	.1	.4	.3	-.1	-25.0	
Pakistan	276.2	198.6	157.8	-40.8	-20.5	2.8	3.1	2.5	.6	-19.4	
Philippines	212.1	262.5	319.2	56.7	21.6	534.5	576.6	591.7	15.1	2.6	
Singapore	76.8	91.7	135.0	43.3	47.2	40.0	72.9	66.6	-6.3	-8.6	
Sri Lanka	44.4	31.6	30.1	-1.5	-4.8	37.0	48.8	41.0	-7.8	-16.0	
Taiwan	824.8	1,073.6	1,095.1	20.6	1.9	132.5	126.7	154.9	28.2	22.3	
Thailand	126.7	157.7	161.9	4.2	2.7	86.5	115.4	143.1	27.7	24.0	
Vietnam	1.5	--	--	--	--	--	--	--	--	--	
Other	.5	.2	.5	.3	150	--	--	--	--	--	
Oceania	151.0	177.3	189.0	11.7	6.6	1,236.4	1,780.1	1,796.1	16.0	.9	
Australia	89.5	99.9	109.8	9.9	9.9	726.9	1,105.1	1,153.0	47.9	4.3	
New Zealand	30.3	36.2	37.1	.9	2.5	446.9	626.5	612.1	-14.4	-2.3	
Papua New Guinea	.6	.3	.4	.1	33.3	51.9	48.5	31.0	-17.5	-36.1	
French Pacific Is.	12.5	15.3	18.8	3.5	22.9	--	.2	2.2	2.0	NA	
Trust Territories	14.3	21.4	20.1	-1.3	-6.1	5.7	12.8	4.5	-8.3	-64.8	
Other	3.8	4.2	2.8	-1.4	-33.3	5.0	13.0	6.7	-6.3	-48.5	

-- = None or negligible.

NA = Not applicable.

Source: Bureau of the Census, U.S. Department of Commerce.



Table 12--U.S. agricultural exports by SITC categories to Asia and Oceania 1/, 1974-80, part I

Country and year	Total	Wheat and flour	Rice, milled	Feed grains	Meat and meat prepara- tion 2/	Dairy products	Fruits, nuts, and preparation	Vegetables and preparation
Million dollars								
Asia								
Afghanistan								
1974	.9	--	--	--	--	--	--	--
1975	3.3	.3	--	--	--	2.0	--	--
1976	1.6	.4	--	--	--	--	--	--
1977	1.3	.2	--	--	--	--	--	--
1978	4.8	3.5	--	--	--	.9	--	--
1979	3.2	1.8	--	--	--	.2	--	--
1980	--	--	--	--	--	--	--	--
Bangladesh								
1974	207.5	148.9	--	--	--	.1	--	.1
1975	329.5	124.7	164.5	--	--	3.2	--	--
1976	92.4	10.6	32.3	--	--	--	--	--
1977	129.4	51.3	20.5	--	--	1.4	--	--
1978	106.7	59.8	.3	1.1	--	.3	--	--
1979	144.5	72.6	.5	1.0	--	.5	--	--
1980	221.3	190.1	--	--	--	.1	--	.2
Hong Kong								
1974	184.6	15.5	2.6	--	3.1	3.8	32.7	7.5
1975	130.3	11.9	.1	--	3.0	2.3	39.8	5.4
1976	206.1	16.7	--	.1	4.3	4.2	47.7	6.1
1977	303.9	11.1	--	.1	5.3	14.1	53.5	13.3
1978	359.4	13.0	.8	--	5.0	8.7	74.2	14.7
1979	361.3	15.6	--	.1	6.2	8.6	81.5	15.6
1980	436.6	16.3	.3	--	7.1	6.4	93.7	25.7
India								
1974	454.8	374.0	--	9.7	--	--	--	4.1
1975	759.9	612.1	.2	45.7	--	29.8	--	.4
1976	773.9	555.7	24.8	23.4	--	11.3	--	1.5
1977	290.6	19.6	1.2	--	--	6.7	1.1	.1
1978	281.7	64.5	1.3	--	--	17.9	3.4	1.4
1979	260.9	72.4	--	1.5	--	2.6	3.4	.2
1980	317.5	61.1	.1	3.7	--	1.2	3.4	1.5
Indonesia								
1974	101.2	7.0	19.7	--	.2	.3	1.6	.7
1975	118.1	49.7	.1	--	.1	1.2	2.9	.2
1976	234.1	55.8	93.0	--	.3	2.1	5.2	.6
1977	242.0	50.9	70.5	.9	.4	4.6	4.6	.8
1978	317.0	71.2	107.6	--	.7	1.7	6.0	.8
1979	322.4	104.2	88.6	--	.8	1.3	4.7	1.0
1980	414.1	141.7	67.0	1.8	.7	1.7	6.4	2.0
Japan								
1974	3,478.9	571.9	14.4	1,112.2	41.2	6.7	104.7	35.7
1975	3,081.9	506.1	6.9	962.4	138.5	8.4	128.7	24.3
1976	3,563.1	522.3	4.5	1,027.8	187.3	5.6	155.6	39.4
1977	3,856.8	374.5	.5	1,060.8	152.2	14.0	152.5	50.3
1978	4,435.3	431.9	1.2	1,151.6	262.3	21.5	240.7	85.8
1979	5,255.3	537.4	.5	1,448.1	342.8	19.7	297.9	86.0
1980	6,110.7	596.3	.6	2,140.3	330.2	31.4	296.0	121.2
Kampuchea								
1974	111.3	3.1	104.6	.5	--	--	--	.1
1975	25.0	--	25.0	--	--	--	--	--
1976	--	--	--	--	--	--	--	--
1977	--	--	--	--	--	--	--	--
1978	--	--	--	--	--	--	--	--
1979	--	--	--	--	--	--	--	--
1980	25.8	1.5	17.7	--	--	.6	--	--
Korea, Republic of								
1974	742.6	261.2	108.0	140.3	.4	.1	.7	.8
1975	829.7	269.4	174.8	65.1	.2	.3	1.1	.1
1976	829.8	259.2	39.2	108.8	.4	.2	.8	.2
1977	919.3	201.7	11.5	158.4	1.3	.5	2.0	.6
1978	1,148.1	215.1	--	210.2	18.5	.4	3.2	6.7
1979	1,440.7	257.9	44.2	323.1	14.7	2.4	6.5	2.2
1980	1,797.4	322.8	291.6	316.2	3.1	1.1	5.9	3.4
Malaysia								
1974	36.4	3.4	--	--	.2	1.0	1.2	1.1
1975	25.1	1.3	--	--	.3	.1	1.4	.6
1976	31.4	2.6	--	--	.4	.1	1.9	.5
1977	52.4	4.2	--	--	.3	.2	3.2	1.1
1978	63.0	7.4	--	.6	.2	.1	4.6	1.7
1979	64.0	7.8	2.1	--	.4	.2	6.3	1.6
1980	87.6	15.1	--	.5	.7	.2	8.0	2.3

See footnotes at end of table.

Continued--

--U.S. agricultural exports by SITC categories to Asia and Oceania<sup>1/</sup>, 1974-80, part I--continued

Country and year	Total	Wheat and flour	Rice, milled	Feed grains	Meat and meat prepara- tion <sup>2/</sup>	Dairy products	Fruits, nuts, and preparation	Vegetables and preparation
Million dollars								
Nepal								
1974	.4	--	--	.1	--	--	--	--
1975	.3	--	--	--	--	--	--	--
1976	1.5	--	--	--	--	.3	--	--
1977	1.8	.3	--	--	--	.6	--	--
1978	1.5	.6	--	--	--	.1	--	--
1979	1.8	1.1	--	--	--	--	--	--
1980	7.3	6.1	--	.2	--	--	--	--
Pakistan								
1974	158.5	80.6	--	5.3	--	--	--	.1
1975	174.8	143.0	--	.4	--	3.1	--	--
1976	144.2	57.1	--	--	--	--	--	--
1977	85.1	--	--	--	--	.4	.1	.2
1978	276.2	189.9	--	--	--	--	.1	.1
1979	198.6	58.3	--	--	--	.5	.1	.1
1980	157.8	25.4	--	--	--	1.5	.1	--
Philippines								
1974	173.1	68.0	--	19.7	2.0	1.9	1.3	2.7
1975	162.8	69.8	--	5.9	.7	2.1	1.5	.7
1976	168.4	74.8	--	2.9	1.4	9.9	1.4	.9
1977	186.1	46.9	--	13.4	1.1	22.7	1.7	4.1
1978	212.0	99.1	--	2.5	1.8	1.9	2.0	5.3
1979	262.5	144.9	--	2.7	2.1	4.2	2.3	2.1
1980	319.2	146.7	--	26.0	2.8	3.8	2.1	2.0
Singapore								
1974	43.3	8.2	.8	--	1.1	1.2	5.1	2.1
1975	43.4	6.8	--	2.5	1.6	.6	9.3	1.2
1976	56.2	7.0	--	.4	1.7	.6	10.9	1.8
1977	72.5	5.4	--	3.4	2.0	.7	13.6	4.2
1978	76.8	6.4	.1	--	2.9	.5	18.5	4.6
1979	91.7	9.2	1.0	3.3	3.1	.6	21.3	7.5
1980	135.0	10.1	2.1	9.2	4.5	.9	28.6	12.0
Sri Lanka								
1974	10.1	6.4	--	--	--	--	--	--
1975	25.3	23.0	--	--	--	--	--	.2
1976	26.5	21.5	--	--	--	--	--	.4
1977	42.5	32.8	5.0	--	--	--	--	--
1978	44.4	34.8	--	--	--	--	--	--
1979	31.6	21.4	--	--	.1	--	--	--
1980	30.1	24.6	--	--	--	.1	--	.1
Taiwan								
1974	429.9	116.2	--	36.3	1.0	4.1	2.1	1.6
1975	564.7	72.2	--	90.2	.8	.3	3.3	1.4
1976	473.7	77.9	--	99.0	1.0	.3	3.8	3.0
1977	611.9	63.9	--	120.2	1.0	5.7	4.1	2.7
1978	824.8	77.6	--	220.1	1.7	3.9	5.8	5.2
1979	1,073.6	115.8	--	287.6	5.6	3.7	39.9	5.6
1980	1,095.1	103.7	--	315.3	4.6	4.3	40.8	8.4
Thailand								
1974	81.6	8.2	--	--	.1	1.4	.5	.3
1975	79.6	10.7	--	.1	.1	.1	1.1	--
1976	96.0	14.2	--	.1	.1	.2	1.6	.2
1977	108.4	7.4	--	--	.2	1.5	2.0	.5
1978	126.7	9.5	--	--	.2	.2	1.5	.3
1979	157.7	17.4	.6	--	.4	.4	1.6	.9
1980	161.9	14.8	--	.1	.4	.5	2.0	2.3
Oceania								
Australia								
1974	104.1	--	.2	--	.2	1.6	7.6	15.2
1975	72.1	--	--	--	.3	.4	6.8	6.8
1976	72.1	--	.4	--	.1	.3	9.1	5.7
1977	98.8	--	.9	--	.1	1.3	9.3	5.7
1978	89.5	--	.1	--	--	1.0	11.1	6.4
1979	99.9	.1	.2	.5	.1	1.1	10.6	8.9
1980	109.8	.1	.3	.2	.1	1.4	15.4	9.4
New Zealand								
1974	26.5	2.4	.7	--	--	.1	7.0	.6
1975	20.1	--	.2	--	--	--	5.8	1.0
1976	25.6	--	.5	--	.1	.1	6.4	.9
1977	28.1	--	.4	--	--	--	5.9	.5
1978	30.3	--	.5	--	.1	.1	8.2	.5
1979	36.2	--	.4	--	.2	--	9.8	.5
1980	37.1	--	.6	--	.2	.1	10.0	.6

-- = None or negligible.

Note: Columns may not add to totals, which were taken from original sources, due to rounding.

<sup>1/</sup> Countries not included have little or no agricultural trade with the United States.

<sup>2/</sup> Excludes poultry and poultry products.

Sources: Bureau of the Census, U.S. Department of Commerce and Foreign Agricultural Service, U.S. Department of Agriculture.



Table 13--U.S. agricultural exports by SITC categories to Asia and Oceania 1/, 1974-80, part II

Country and year	Tobacco, unmfd.	Hides and skins	Oilseeds	Oilcake and meal	Cotton excluding linters	Animal fats and oils	Vegetable fats and oils	Other
Million dollars								
Asia								
Afghanistan								
1974	--	--	--	--	--	.2	.6	.1
1975	--	--	--	--	--	.3	.6	--
1976	--	--	--	--	--	.2	.8	.2
1977	--	--	--	--	--	.2	.8	.1
1978	--	--	--	--	.1	.3	--	--
1979	--	--	--	--	--	1.2	--	--
1980	--	--	--	--	--	--	--	--
Bangladesh								
1974	--	--	--	--	40.6	5.8	10.5	1.5
1975	--	--	--	--	9.3	5.9	18.9	3.0
1976	--	--	--	--	35.1	.6	11.4	2.4
1977	--	--	--	--	38.9	5.4	11.1	.8
1978	--	--	--	--	25.6	.3	17.9	1.4
1979	--	--	--	--	25.4	4.8	38.9	.8
1980	.4	--	--	--	19.4	3.1	7.3	0.7
Hong Kong								
1974	5.4	3.9	.5	.2	69.1	.2	1.5	38.6
1975	2.6	5.5	.1	.4	14.6	.1	1.3	43.2
1976	3.4	4.3	.1	.4	51.9	.3	1.7	64.7
1977	4.0	5.0	.7	.2	123.0	.4	3.9	69.3
1978	4.5	4.7	.6	.3	152.3	.7	3.3	76.6
1979	10.4	6.6	--	.1	129.5	.7	3.9	82.5
1980	11.6	10.3	.1	.1	150.7	.7	5.1	108.5
India								
1974	.4	--	.2	.3	--	21.7	17.4	27.0
1975	.3	--	.1	--	--	--	7.6	63.7
1976	.2	--	--	--	54.8	5.1	47.1	50.0
1977	.3	.1	--	1.6	50.3	11.8	154.2	43.6
1978	.2	--	--	.3	--	8.8	172.7	26.8
1979	.2	--	--	.1	.2	.8	166.0	13.5
1980	--	.2	--	.1	--	3.4	229.7	13.1
Indonesia								
1974	1.0	--	--	--	59.8	--	.3	10.6
1975	.5	--	--	--	54.2	.1	.4	8.7
1976	.6	--	18.0	--	49.2	--	.1	9.2
1977	2.0	--	29.5	--	64.8	.1	.5	12.4
1978	2.1	--	27.2	3.8	74.9	.2	.5	20.3
1979	1.6	--	27.9	4.4	81.2	.2	.6	5.9
1980	13.5	--	57.5	4.6	112.3	--	.7	4.2
Japan								
1974	165.6	120.1	737.7	17.5	298.3	71.6	36.9	144.4
1975	132.2	103.1	667.3	1.0	204.4	24.9	14.2	159.5
1976	223.3	192.3	697.3	21.5	262.1	39.2	15.8	169.1
1977	260.0	199.6	951.1	56.1	309.7	42.2	27.8	205.5
1978	226.9	249.5	993.4	59.2	348.4	40.9	18.4	303.6
1979	228.7	327.1	1,043.6	50.6	449.7	52.0	37.9	333.3
1980	197.2	268.3	1,116.3	65.2	525.9	56.9	25.3	341.6
Kampuchea								
1974	1.9	--	--	--	--	--	.7	.4
1975	--	--	--	--	--	--	--	--
1976	--	--	--	--	--	--	--	--
1977	--	--	--	--	--	--	--	--
1978	--	--	--	--	--	--	--	--
1979	--	--	--	--	--	--	--	--
1980	--	--	--	--	--	--	5.6	.4
Korea, Republic of								
1974	.8	24.5	6.1	--	148.4	42.5	2.1	6.7
1975	4.9	35.8	7.3	--	237.3	25.8	.9	6.7
1976	12.7	72.3	33.3	--	256.4	33.1	1.8	12.4
1977	21.2	94.1	44.3	--	315.3	38.4	2.1	27.9
1978	25.2	116.1	77.3	7.6	377.9	41.4	1.7	36.8
1979	32.8	128.5	116.9	18.3	397.8	56.0	3.9	35.5
1980	45.3	94.1	155.5	--	466.4	53.9	5.1	33.0
Malaysia								
1974	16.0	--	--	.1	10.9	.4	.3	1.8
1975	12.3	--	--	--	5.4	--	--	3.7
1976	14.5	--	--	--	7.7	--	--	3.7
1977	24.3	--	.4	--	14.8	.1	.3	3.5
1978	26.7	--	--	--	16.6	--	.5	4.6
1979	22.4	--	--	--	16.2	--	.6	6.4
1980	25.2	--	10.9	--	14.0	.1	.2	10.4

See footnotes at end of table.

Continued--

--U.S. agricultural exports by SITC categories to Asia and Oceania 1/, 1974-80, part II--continued

Country and year	Tobacco, unmfd.	Hides and skins	Oilseeds	Oilcake and meal	Cotton excluding linters	Animal fats and oils	Vegetable fats and oils	Other
	<u>Million dollars</u>							
Nepal								
1974	.1	--	--	--	--	--	--	.2
1975	--	--	--	--	--	--	--	.3
1976	.7	--	--	--	--	--	--	.5
1977	.4	--	--	--	--	--	--	.2
1978	.2	--	--	--	--	--	.3	.3
1979	--	--	--	--	--	--	.3	.7
1980	.1	--	--	--	--	--	.3	.6
Pakistan								
1974	1.0	.3	--	--	--	11.7	58.7	.8
1975	.9	.3	--	--	.5	18.8	7.4	.4
1976	1.1	.1	--	--	.9	11.5	72.1	1.4
1977	1.0	1.0	--	--	.5	22.5	58.4	1.0
1978	1.4	.3	--	--	.1	19.9	63.2	1.1
1979	1.0	.2	--	--	.4	28.4	108.2	1.4
1980	2.1	.1	.1	--	.7	34.1	92.2	1.5
Philippines								
1974	13.0	1.1	1.5	6.6	34.7	3.1	.8	16.7
1975	17.8	1.6	1.4	1.1	37.4	2.0	.4	20.4
1976	26.4	1.3	2.3	--	24.5	2.2	.4	20.0
1977	32.2	1.1	5.7	.3	26.6	2.0	1.3	27.0
1978	26.9	.8	7.1	4.0	32.3	2.6	2.4	23.3
1979	26.9	1.0	--	6.1	33.3	3.2	4.6	29.1
1980	29.1	.2	6.0	3.5	46.2	4.2	2.3	44.3
Singapore								
1974	1.4	--	2.4	--	10.5	.3	2.6	7.6
1975	1.2	--	1.8	--	4.5	.1	.2	13.6
1976	3.5	--	5.4	--	8.5	.2	.2	16.0
1977	4.1	--	10.8	--	7.9	.1	1.4	18.9
1978	3.4	.1	7.0	--	5.5	.2	4.6	23.0
1979	4.1	--	--	2.2	6.1	.2	2.4	30.7
1980	2.7	.1	5.9	6.6	9.9	.5	3.0	38.9
Sri Lanka								
1974	--	--	--	--	1.8	--	.6	1.3
1975	--	--	--	--	.6	--	.3	1.2
1976	--	--	--	--	2.0	--	.7	1.9
1977	--	--	--	--	2.6	--	.4	1.8
1978	--	--	--	--	4.6	--	.9	4.1
1979	--	--	--	--	8.2	--	--	1.9
1980	--	--	--	--	1.3	--	.9	3.1
Taiwan								
1974	29.5	9.2	131.9	--	70.5	9.7	10.0	7.8
1975	27.3	10.7	211.5	.7	122.8	7.1	2.9	13.5
1976	19.5	15.1	148.4	1.1	84.4	2.5	.4	17.3
1977	37.6	18.8	195.5	2.8	133.6	5.8	1.2	1.0
1978	55.1	25.0	255.1	.2	141.4	13.4	.4	19.9
1979	92.5	35.8	309.1	--	155.6	10.2	1.5	30.7
1980	37.0	42.6	262.0	2.8	203.3	19.7	1.3	49.3
Thailand								
1974	28.5	--	--	2.7	33.4	.4	.5	5.6
1975	32.8	.1	--	--	24.4	--	.1	11.1
1976	37.0	--	--	--	30.8	--	.1	11.7
1977	28.3	--	1.8	--	55.1	.1	1.1	10.4
1978	34.7	--	--	5.2	58.0	.6	2.2	14.2
1979	36.1	--	--	--	83.0	.2	1.1	16.0
1980	47.8	.1	--	2.5	72.8	.1	3.5	15.0
Oceania								
Australia								
1974	30.7	.6	8.8	6.9	6.7	.9	14.6	14.1
1975	25.0	.6	1.4	.5	.6	.1	16.1	13.5
1976	17.5	.4	6.9	1.5	.5	.1	9.3	20.3
1977	25.9	.6	7.4	5.9	.7	.3	24.1	16.6
1978	27.0	.6	1.0	.9	.8	--	14.2	18.1
1979	27.1	1.2	4.3	1.5	--	.3	18.3	25.7
1980	30.0	1.8	9.3	4.7	.4	.3	13.1	23.3
New Zealand								
1974	6.0	--	--	1.2	--	.1	4.0	4.2
1975	7.3	--	.2	.3	--	.1	2.4	2.8
1976	7.8	--	.8	.5	--	--	4.5	4.0
1977	8.5	--	1.9	.4	--	--	6.8	3.7
1978	6.8	.1	1.7	.3	--	--	9.5	2.5
1979	8.1	.1	.2	.4	--	--	10.9	5.6
1980	8.1	.1	.5	1.1	--	.1	11.2	4.5

-- = None or negligible.

Note: Columns may not add to totals, which were taken from original sources, due to rounding.

1/ Countries not included have little or no agricultural trade with the United States.

Sources: Bureau of the Census, U.S. Department of Commerce and Foreign Agricultural Service, U.S. Department of Agriculture.









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